

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

PARIS, THURSDAY, JUNE 29, 1972

Established 1887

27,823

Switzerland an Exception

Dollar Firmer Than Expected As Europe's Money Markets Open

By Carl Gewirtz

PARIS, June 29 (AP)—Continental foreign exchange markets opened today for the first time since Britain stopped supporting the rate for the pound sterling on Friday, with the dollar faring far better than expected.

While sales of dollars kept it near its lower limit in most of Europe, the dollar went below the intervention rate in only one country, Switzerland, and there the central bank refused to intervene to stop the drop.

In effect, the Swiss franc is floating. But whereas sterling is becoming less expensive against the dollar and other currencies (it closed down 1.5 cents in London at \$2.45, representing a 4.6 percent decline from its previous rate), the Swiss franc is moving in the opposite direction. At the closing price of 3.739 francs to the dollar, the franc was 0.64 percent above its declared maximum rate.

As Switzerland is not a member of the International Monetary Fund, it retains the freedom to decide whether to support its declared parity. Swiss and other bankers criticized Switzerland's refusal to intervene, saying this adds new uncertainty to the exchange rate structure established in Washington last December.

Swiss bankers, however, said they were very pleased by the small size of the franc's appre-

ciation and theorized that the national bank was only temporarily out of the market, waiting to see what kind of rate was established in order to judge how much support would be necessary before jumping in.

In West Germany, bankers had feared that any especially heavy pressure in favor of the deutsche

mark would force the Bundesbank into reluctantly adding more convertible dollars to its swollen reserves or taking some abrupt counteraction. But the dollar traded above its floor level of 3.15 DM all day and closed at 3.157, down from the opening high of 3.164 DM, and never required official support.

In its regular weekly report today, the Bundesbank stated that its reserves rose 2.4 billion DM in the five-day period ended June 21. It ascribed the sharp rise to the foreign exchange support actions.

Against the French commercial franc the dollar closed at 5.0070 francs, compared to the lowest permitted level of 5.0005. The rate of the financial franc, a floating franc used for all noncommercial transactions—including tourist exchanges—was 4.745 to the dollar.

While much satisfaction was expressed about today's trading, experts were cautioning that it was too early to conclude that a new crisis had been averted and that the sterling float is the isolated happening that Common Market finance ministers publicly claim.

A further caution signal was flashed by a meeting of the West German cabinet, which began at 2 p.m. to discuss monetary matters and recessed at 6 p.m. to make, according to an official press spokesman, "international contacts." This was taken to mean that Chancellor Willy Brandt's government was seeking the consultation of its Common Market partners before announcing measures to curb the inflow of speculative funds.

However, a spokesman for Economics and Finance Minister Karl Schiller later denied that (Continued on Page 9, Col. 4)

A Dollar's Value

	Today	Previous
Ster. (\$ per £)...	2.4850	2.5760
Belgian fr. (A)...	43.70-80	44.03-07
Belgian fr. (B)...	43.86-95	44.40-42
Deutsche mark...	3.1575	3.190
Danish krone....	6.9500-50	7.012
Escudo	26.40-80	26.88
Fr. Fr. (A)	4.745	4.84-845
Fr. Fr. (B)	5.0070	5.065
Guilder	3.1715	3.208
Lira	581.5	587.5
Peseta	63.25-45	64.10
Schilling	22.94-23.0	22.99
Sw. krona	4.725-733	4.748
Swiss franc	3.725-732	3.786

A: Free, B: Commercial



UNIT—Indira Gandhi greeting Zulfikar Ali Bhutto (right) on his arrival in Simla, India, yesterday, for talks.

While Acknowledging Difficulties

rs. Gandhi, Bhutto Meet to Seek a 'Beginning'

By Robert Trumbull

NEW DELHI, June 28 (AP)—Prime Minister Indira Gandhi and Zulfikar Ali Bhutto, leader of Pakistan, began summit conference today in Simla, India, to seek a "new beginning" in the troubled relations between the two countries.

The two leaders, in a brief in-

terview, said they were interested in peace. Mr. Bhutto, whose forces were defeated by India in the two-week war that resulted in the transformation of Pakistan's eastern wing into the independent Republic of Bangladesh last December.

"This meeting is perhaps not easy for either of us," Mrs. Gandhi said in a statement welcoming Mr. Bhutto to this cool hill resort in the Himalayas, where the divi-

sion of the former British Indian empire between predominantly Hindu India and mostly Moslem Pakistan was worked out 25 years ago.

The territorial dispute over Kashmir, the key issue between the two countries, dates back almost to the partition agreement between the two new states. Other problems such as the retention of 33,000 Pakistani prisoners of war in India, go back only to the December war.

Recent public and private

pronouncements in India and Pakistan have offered little hope that either the Kashmir question or the disposition of the Pakistani prisoners will be settled quickly.

On the record, at least, President Bhutto insists that the political future of Kashmir be based on "self-determination" by the disputed state's four million people, who are mostly Moslems. India, which took possession of the state in 1947 at the request of the Hindu maharajah, an action later ratified by the state assembly, has been unwilling in

negotiations to a plebiscite. The prisoner question is complicated by two factors. One is India's determination to hold the captives, who comprise the equivalent of four trained divisions, until New Delhi feels assured that there will never be another war with Pakistan. The other factor is the insistence of Bangladesh on trying some 1,500 of the prisoners as war criminals.

New Delhi holds that the prisoners, though held in India, are in joint custody of Bangladesh, and that Dacca must be given a say in their disposition. Restoration of diplomatic relations between New Delhi and Islamabad, broken by Pakistan in the December war, is expected to be one positive outcome of the meeting between Mrs. Gandhi and Mr. Bhutto this week.

A declaration formally ending hostilities, reopening of closed borders, resumption of trade and restoration of broken communications links are also expected to follow the re-establishment of diplomatic relations.

It is also believed that withdrawal of Indian and Pakistani troops from territory occupied by both sides in December will be worked out in an amicable exchange. A firming of the unstable cease-fire in Kashmir, in force since 1949 but often marred by shooting incidents, may be another easy step.

The current Indian proposal for a permanent solution in Kashmir is to make the present cease-fire line an international border, after a few adjustments. But for Mr. Bhutto to accept this formula would be an abrupt and politically dangerous reversal of a policy that has been clung into generations of Pakistanis with unremitting passion.

However, Indians are hopeful that Mr. Bhutto will come to (Continued on Page 2, Col. 6)

Anderson Says Secret Service Keeps Track of 5,500 Blacks

WASHINGTON, June 28 (AP)—Jack Anderson, the syndicated columnist, turned over to the Congressional Black Caucus yesterday a list he said came from the Secret Service, naming 5,500 names and aliases of black people whose dossiers are maintained.

Mr. Anderson, unfolding the yards-long paper sheet in the hearing room, told the pressmen that blacks are the only group that Secret Service classifies separately. It is, he said, the "black nationalist" list.

The Secret Service keeps a file on Jackie Robinson, the former baseball player, because, Mr. Anderson said, he "visited a White House gate day to inquire about the President's 'black talent' program... the Secret Service was 'og' notes."

Rep. Ronald V. Dellums, D., Calif., who is

chairman of hearings by the caucus on "governmental lawlessness," announced to about 100 spectators that the caucus intends to file a "suit on behalf of the listed individuals, challenging the Secret Service's authority to keep such records."

Mr. Anderson also attacked the investigatory activities of the FBI, asserting that the agency had "spent more time investigating unorthodox ideology—subversives than all other crimes combined." The bureau's concept of unorthodox ideology, he said, includes viewpoints against the war or in favor of minority causes.

Deploping what he termed a lack of "oversight" for the FBI's surveillance activities, he added that moderate blacks are investigated, while "their white counterparts" who hold comparable views are not.

Lebanese Premier 'Very Satisfied'

Arab Guerrillas to Curb Activities

RUT, June 28 (UPI)—Lebanese guerrillas agreed to military activities, which led a week of Israeli air and sea attacks against Lebanon, the guerrillas said today.

Details of the agreement worked out yesterday by Premier Sheb Salam and the leader Yasser Arafat, the guerrillas said.

Salam told newsmen after the meeting, "I am very, very satisfied. Understanding was reached, but he refused to disclose details."

A capital newspaper said guerrillas agreed to a government request to freeze their actions against Israel for the time being, thus denying the guerrillas the launch or reprisal attacks. It said days of air strikes, rocket fire and naval bombardment have left 191 casualties, and wounded, according to all communications. Israel has said it will continue to hit guerrilla concentrations.

ndt, Pompidou

After Next Week

PARIS, June 28 (UPI)—Chancellor Willy Brandt will have a meeting with French President Georges Pompidou during the latter's visit to Bonn today and Tuesday, the government said today.

An official program for the said Mr. Brandt also will be met with French Prime Minister Jacques Chaban-Delmas.

He said the Palestinian residents of Lebanon know this and they also know that "it is in their interest to respect Lebanon's interests."

The government-guerrilla agreement was worked out, the newspapers said, after Mr. Arafat persuaded all Palestinian groups to go along with the plan and after he held extensive talks in Syria, where the guerrillas also have units.

Mr. Arafat and Mr. Salam agreed the guerrillas should suspend operations temporarily; withdraw from some, but not all, populated areas in the south; and create a "disciplinary corps" to deal with guerrilla violations.

The Lebanese cabinet met under President Sleiman Franjeh today and reviewed recent developments in government-guerrilla relations, political sources said.

After the meeting, Mr. Salam said talks with guerrilla leaders had "achieved full understanding to safeguard Lebanese and Palestinian interests."

He did not elaborate.

Warnings and Advice

President Franjeh, speaking at the cabinet meeting, expressed regret at "warnings and advice by some of our brothers" following the recent wave of Israeli attacks.

"We do not need to be taught or lectured concerning our relations with the Palestinians."

"When Lebanon opened its doors to them (in 1948)—when they were left homeless—we acted on brotherly considerations," Mr. Franjeh said.

He said the Palestinian residents of Lebanon know this and they also know that "it is in their interest to respect Lebanon's interests."

Israeli: No Chances

TEL AVIV, June 28 (UPI)—The Israeli armed forces chief of staff, Lt. Gen. David Elazar, said today that Israel has no

choice but to rely on its military for its security.

Criticizing the United Nations Security Council's condemnation of Israel for its attacks last week against Arab guerrillas in southern Lebanon, Gen. Elazar also said, "We have witnessed these past days how the Security Council condemned us for acting in our own defense."

Gen. Elazar said of the 13-0 vote against Israel in the 15-nation council Monday night.

"Therefore, the armed forces might be the sole guarantee for our security and we may not depend on others," he added.

France Said to Have Begun Nuclear Testing in Pacific

PARIS, June 28 (Reuters)—The Defense Ministry today refused to confirm or deny a report from Tahiti that it had exploded the first nuclear device of its latest test program.

The report said the blast took place last Sunday over Mururoa Atoll, in French Polynesia. The report originated from the French news agency Agence France Presse.

The French government—which says it will go ahead with the tests—has adopted a policy of silence and secrecy over the program in the face of angry protests from Australia, New Zealand, Latin American nations, Japan and others. Some have threatened to break off relations with France.

Informed sources here have said the test program involves miniaturization of thermonuclear warheads for missiles to be carried by submarines.

The report from Tahiti also

said that a French warship had intercepted the anti-nuclear protest yacht Greenpeace III, sponsored by the Greenpeace Foundation, of Vancouver, Canada, and towed it from the test zone to Tahiti.

What scant information that has come from official French circles suggests that the new test series will comprise three or four explosions, all of low yield.

Officials at the Paris embassies of Australia and New Zealand said they had no information that a first test had been set off.

Some experts here have pointed out that since the South Pacific tests are atmospheric explosions, they would be harder to monitor than ground-level or underground blasts, especially if they were of very low intensity.

Sweden's Svalbard Institute, at Uppsala, said it recorded nothing unusual Sunday night.

But an institute spokesman re- (Continued on Page 2, Col. 7)



MONEY MARKET—Board at Paris exchange market yesterday showing franc trading rates for various currencies.

No Draftees to Go to Vietnam

Nixon to Withdraw 10,000 GIs in Two Months

By Carroll Kilpatrick

WASHINGTON, June 28 (AP)—President Nixon announced today that an additional 10,000 American troops will be withdrawn from South Vietnam in the next two months, putting the ceiling at 39,000 on Sept. 1.

At the same time, the President ordered that no draftees be sent to Vietnam in the future unless they volunteer to go.

The President scheduled a televised news conference for tomorrow night at which he is expected to comment further on the situation in Indochina and possibly to indicate prospects for a resumption of peace negotiations.

The White House has been expecting a response from Hanoi for some days to its diplomatic efforts to obtain serious talks looking toward a negotiated settlement.

Last Saturday, Secretary of State William P. Rogers and presidential aide Henry A. Kissinger both said that there has been no indication that Hanoi is prepared to resume substantive talks. But both indicated hope that such word would be received soon.

In making the troop withdrawal announcement for the President, Press Secretary Ron Ziegler said that draftees now in Vietnam would continue to serve their tour of duty and that

draftees already ordered to Vietnam would proceed as scheduled. But no more draftees will receive orders to go to Vietnam, Mr. Ziegler said.

Some 4,000 draftees are among the estimated 54,000 servicemen in Vietnam at the present time. About 400 have been sent there in the last month, Mr. Ziegler said.

While troop strength in Vietnam has been steadily declining, the President ordered an increase in Air Force personnel in neighboring countries and an increase in naval forces offshore following North Vietnam's spring offensive.

The overall increase outside

South Vietnam totals about 25,000 men. As of June 23, the Pentagon said, there were 42,000 naval personnel offshore and 45,000, mainly Air Force personnel, in Thailand.

The July 1 ceiling of 49,000 men in Vietnam is expected to be achieved although a total of 54,000 men were in Vietnam last week. The grand total of American military men involved in the Vietnam war is thus 136,000 to 146,000.

Mr. Ziegler said that Mr. Nixon would have another troop level announcement before Sept. 1.

Since the President took office, he has reduced U.S. military personnel in Vietnam by 510,500, a

cut of 83 percent, the press secretary said.

The President believes that the force reduction can be carried out without jeopardizing the Vietnamization program or to the American forces remaining in Vietnam, Mr. Ziegler reported.

Asked if the 39,000 men represented the "residual" force that would be continued in Vietnam, Mr. Ziegler said, "Our ultimate objective is to withdraw all forces."

Arguing that the term "residual" is "somewhat a misnomer," the press secretary said, "We will have U.S. forces in South Vietnam until the FOWs and the missing in action are accounted for."

Saigon Units Start Big Counteroffensive

By Sydney H. Schanberg

HUE, South Vietnam, June 28 (AP)—Ten thousand South Vietnamese marines and paratroopers pushed above the country's northernmost defense line today to start a drive to retake Quang Tri Province, which fell to the North Vietnamese offensive nearly two months ago.

The crucial counteroffensive across the My Chanh River, which is about 25 miles by road northwest of Hue, was preceded and accompanied by the largest concentration of firepower, near-

ly all of it American, ever used on a single area in the Vietnam war.

Seventeen U.S. Navy cruisers and destroyers in the China Sea and more than 100 B-52 bombers from Thailand and Guam pounded enemy positions in Quang Tri almost continuously. Large numbers of jet fighters bombed from bases in Thailand or from aircraft carriers are also providing close combat support.

The government's drive north, also supported by its own tanks and artillery, was its biggest

countermove since the North Vietnamese began their push south across the so-called Demilitarized Zone on March 30.

Only sketchy details about Saigon's drive were available. Saigon authorities have imposed strict ground rules on news reporting of the move.

One South Vietnamese military source said that by about midday, the marine and paratrooper force had as yet made no contact with enemy troops. But the army radio station said this evening that "our troops have (Continued on Page 2, Col. 5)

As Fragile Cease-Fire Continues

IRA Provokes Seek a 'New Ireland'

DUBLIN, June 28 (Reuters).—The Provisional wing of the Irish Republican Army presented today a blueprint for a new Ireland incorporating the British province of Northern Ireland as one of four provincial governments under a federal body.

At a press conference, following Monday's IRA cease-fire, the militant republican movement called for predominantly Protestant Northern Ireland to be enlarged and united under a federal body with the predominantly Catholic Irish Republic to the south.

The document said that the object of the republican movement was to establish a new society in Ireland.

To achieve this it said, "the existing system of undemocratic partition must be abolished and replaced with an entirely new system based upon the unity and sovereignty of the Irish people."

New Constitution
The movement called for a new constitution, and a new government structure consisting of a federal government and four provincial governments based upon the four historic provinces of the island—Ulster, Munster, Leinster and Connaught.

The new nine-county parliament in Ulster (Northern Ireland) would take in three counties now in the Irish Republic and would still give Protestants a majority.

Since last March the Protestant-dominated provincial Parliament in Northern Ireland has been suspended and replaced by a British government caretaker administration under William Whitelaw.

Commenting on the IRA plan, David O'Connell, one of the IRA's top political brains, said: "We do not want a resumption of military activity."

Talks With Protestants

"We believe that there is something positive in our proposals," he said. "We have had talks with Protestants in the North for the last eight months and have borne their views in mind in producing this document."

The document also proposed regional governments based on clearly defined economic areas, and community authorities to replace existing local government bodies in both the North and South.

It suggested that the federal parliament contain 150 deputies—50 percent elected by direct universal suffrage on proportional representation and 50 percent in equal numbers from each provincial parliament.

The blueprint also put forward a program for social and economic development that would include the nationalization of key industries.

Conference Rejected

Mr. O'Connell said the Provisionals rejected Mr. Whitelaw's proposals for a round-table conference on the future of Northern Ireland and a plebiscite on whether to retain the province's border with the Irish Republic.

Both, he said, looked for solutions within an artificial entity. He said he was confident that Mr. Whitelaw would look again at the question of a conference and agree to one for the future of the whole island.

The Protestants in the province favor keeping the border and leaving Northern Ireland as part of Britain. The Roman Catholics want the province to become part of the independent Irish Republic, which is 90 percent Catholic. The document, entitled "New

Ireland," was signed by Rory O'Brady, president of the Provisionals' political wing, Sinn Féin, and Sean MacStiofain, the Provisionals' chief of staff.

Mr. O'Brady was present at the press conference but Mr. MacStiofain was not.

No Protestant Assurances

BELFAST, June 28 (AP).—Mr. Whitelaw failed tonight to win assurances that militant Protestants will keep the two-day-old cease-fire.

Mr. Whitelaw met for two hours with hard-line Protestants from the Ulster Defense Association and got no commitments from them to call off their threat of armed action unless British troops move against the strongholds of the IRA.

A spokesman for Mr. Whitelaw said after the meeting that UDA leaders had agreed only to consider Mr. Whitelaw's plea. The UDA men covered their faces and refused to talk to newsmen when they left the Stormont Castle meeting.

While Mr. Whitelaw was talking to the Protestants, Catholic guerrillas put up barricades around the Catholic Ballymurphy district here. Guerrillas armed with guns and cudgels stood watch.

The Protestant leaders tonight said they would throw up street barricades throughout Northern Ireland this weekend and threatened that some of them would be permanent. A spokesman for the UDA said they would use "whatever force necessary to maintain the barricades."

Although hardening attitudes appeared to jeopardize the truce, the only outbreaks of violence here today were two small bomb blasts and a single shot at lunchtime. No casualties were reported.

Talks by Germanys Stalled;

Next Parley Set for August

BERLIN, June 28 (AP).—West German State Secretary Egon Bahr met suddenly today in closed session with East German Foreign Minister Otto Winzer in East Berlin but it appeared progress in talks between the rival Germans was stalled.

Mr. Bahr made the surprise trip to Mr. Winzer's office after Mr. Bahr and East German State Secretary Michael Kohl apparently got nowhere in a morning session. Mr. Kohl joined Mr. Bahr in the afternoon meeting with Mr. Winzer.

The two sides will meet again in Bonn Aug. 2. There was speculation that the talks aimed at normalizing East-West German relations would be continuing on a higher level after that.

Wilson Calls EEC Entry Terms

Crippling Burdens for Britain

VIENNA, June 28 (UPI).—The terms demanded by the Common Market for Britain's entry were "crippling financial burdens" for it, Harold Wilson, leader of the British Labor party, said today.

Mr. Wilson attacked in particular France's attitude and condemned the other five market members—West Germany, Italy, Belgium, the Netherlands and Luxembourg—for giving in to French demands.

The former British Prime Minister made the remarks in a speech at the 12th congress of the Socialist International. His speech was coolly received by the international delegates, many of whom came from the European community.

Our friends in Europe have

no right to impose as a condition of entry crippling financial burdens which they would not accept themselves," Mr. Wilson said.

Cutting off a Leg

He said that the terms had the same effect as cutting off an athlete's right leg.

Mr. Wilson said that when Georges Pompidou was elected president of France to succeed Charles de Gaulle, it "created a new situation."

De Gaulle twice vetoed Britain's application for entry and Mr. Wilson criticized the other five for accepting De Gaulle's policy.

"I do not believe, even so, that President Pompidou actively wanted Britain in, or the enlargement of the community at all," Mr. Wilson said.

Mr. Wilson said his party opposed only the terms negotiated by Britain's Conservative government, "not the principle of entry."

He said the communities' common agricultural policy had turned from a "dream" to a "nightmare," and pinned the blame on De Gaulle for France's "irresistible pressures."

Selassie in Brioni

BELGRADE, June 28 (UPI).—Emperor Haile Selassie of Ethiopia and President Tito left an Alpine retreat today and flew to Brioni, Tito's private island in the Adriatic, government officials said.

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Although hardening attitudes appeared to jeopardize the truce, the only outbreaks of violence here today were two small bomb blasts and a single shot at lunchtime. No casualties were reported.

At that time, U.S. intelligence services were unprepared to verify whether the Russians and Egyptians were fulfilling truce terms.

This was a source of major embarrassment to the United States, which had negotiated the truce, and the incident nearly led to the collapse of the cease-fire.

The new committee, officials said, is to be headed by Lt. Gen. Vernon A. Walters, deputy director of Central Intelligence. Satellite and aerial observation and other techniques will be used in the monitoring, officials said.

The members are to be Lt. Gen. Donald V. Bennett, head of the Defense Intelligence Agency; Ray S. Cline, director of the State Department's intelligence and research agency; Andrew Marshall, intelligence coordinator of the National Security Council; and a CIA official still to be designated.

The committee, officials said, will be linked to the White House verification panel, a senior body of the National Security Council responsible for the strategic arms negotiations.

Ratification Needed
The Moscow agreement on the limitation of defensive and offensive nuclear weapons formally comes into force upon ratification by the U.S. Senate and the Soviet Union.

Both sides have agreed, however, to abide by the treaty from the date it was signed by President Nixon and Soviet Communist party leader, Leonid I. Brezhnev.

Under the treaty, the Soviet Union is free to place up to 100 defensive launchers around Moscow—44 of them are now in place—and it has the option of setting up an antiballistic defense at least 800 miles away from the capital to protect its offensive missiles.

The United States may erect an antiballistic system around Washington and around its own offensive launcher positions.

One indication of the North Vietnamese intelligence was the step up in the shelling and attacks on South Vietnamese positions along and below the My Chan defense line over the last several days.

The South Vietnamese Marine division has made four limited forays into Communist-held Quang Tri Province during the last several weeks. But these were largely in-and-out spoiling raids and only on the last one—about a week ago—did the marines leave any troops behind.

A force of unknown size set up a small defense line three to five miles inside Quang Tri Province. These troops will presumably link up with the new attacking force.

Hospital Reported Hit

HONG KONG, June 28 (Reuters).—A North Vietnam News Agency (NVNA) said today American planes yesterday seriously damaged North Vietnam's highest hospital, killing and wounding numerous people.

It said the Bach Mai Hospital in Hanoi was one of the main targets in bomb and rocket attacks on populated suburbs, an industrial community, a pagoda and a sluice gate, apparently linked to a dike.

[The Paris newspaper Le Monde today carried a dispatch from the Agence France-Presse correspondent in Hanoi who reported that about 30 bombs had fallen on the hospital, which is a mile from the center of Hanoi. The report said that all but a few of the patients were in shelters at the time of the raid but that a rocket had killed a 39-year-old doctor. The correspondent said the hospital "offered a spectacle of desolation" with heads and electronic equipment destroyed, walls and windows blown in.]

Hanoi Names Pilot
The North Vietnamese radio today listed Air Force Capt. Richard Logan Francis as one of the U.S. pilots it claimed were shot down after five planes were shot down over Hanoi yesterday.

Radio Hanoi gave his serial number as 448-40-9785FV and said his records listed him as being born April 6, 1943. The Vietnamese language broadcast said Capt. Francis had injured his right arm when he parachuted from his plane.

SEATO Talks End, Peace Chance Seen
CANBERRA, June 28 (AP).—The Southeast Asia Treaty Organization's ministerial council agreed today that the "chances of building a lasting peace now seem better than they have been for a long time."

This was disclosed in a 2,000-word communiqué issued after a two-day meeting of the station council in Parliament House here.

The communiqué qualified chances of a lasting peace by saying this conclusion was reached "on balance."

U.S. Sets Up Unit to Verify SALT Accord

Satellites Are a Part Of Monitoring System

By Tad Szulc

WASHINGTON, June 28 (NYT).—United States intelligence officials have established a committee to keep track of Soviet observance of the terms of the strategic arms limitation treaty signed in Moscow May 26. The five-man committee is to begin functioning on Saturday, July 1.

Administration officials said that the committee was set up to avoid the repetition of the violation of the SALT truce in August, 1970, when the Soviet Union and Egypt moved Sam-2 and Sam-3 anti-aircraft missiles into position after the cease-fire with Israel.

At that time, U.S. intelligence services were unprepared to verify whether the Russians and Egyptians were fulfilling truce terms.

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NEW WEAPON—South Vietnamese Marines operate a "Tom," a new wire-guided anti-tank missile, during search for enemy tanks along the My Chan defense line recently.

Saigon Starts Countermove

(Continued from Page 1)

met with fierce resistance from many elements of Communist divisions. Presently our forces are 15 kilometers (10 miles) east of Quang Tri City.

Although the counteroffensive is apparently designed to retake Quang Tri Province, it is not clear how quickly the South Vietnamese hope to accomplish this.

Some allied military observers felt the push was at least partly diversionary, to try to forestall a Communist attack on Hue from its southwest approaches, where the North Vietnamese recently had been intensifying their infantry and shelling attacks on the government's defense line.

After the Associated Press bureau in Saigon issued the first limited report of the counteroffensive, this afternoon, the government's military spokesman, at the daily briefing, said this was a violation of the ground rules and added "action will be taken against the writer."

A buildup of troops, tanks and artillery has been going on along the northern front for weeks. The Communists have agents among the South Vietnamese people as well as soldiers in the hills and coastal plains that line Route 1, which leads to Quang Tri, and they have presumably been keeping an eye on troop movements from these vantage points.

Increased Shelling
One indication of the North Vietnamese intelligence was the step up in the shelling and attacks on South Vietnamese positions along and below the My Chan defense line over the last several days.

The South Vietnamese Marine division has made four limited forays into Communist-held Quang Tri Province during the last several weeks. But these were largely in-and-out spoiling raids and only on the last one—about a week ago—did the marines leave any troops behind.

A force of unknown size set up a small defense line three to five miles inside Quang Tri Province. These troops will presumably link up with the new attacking force.

Hospital Reported Hit
HONG KONG, June 28 (Reuters).—A North Vietnam News Agency (NVNA) said today American planes yesterday seriously damaged North Vietnam's highest hospital, killing and wounding numerous people.

It said the Bach Mai Hospital in Hanoi was one of the main targets in bomb and rocket attacks on populated suburbs, an industrial community, a pagoda and a sluice gate, apparently linked to a dike.

[The Paris newspaper Le Monde today carried a dispatch from the Agence France-Presse correspondent in Hanoi who reported that about 30 bombs had fallen on the hospital, which is a mile from the center of Hanoi. The report said that all but a few of the patients were in shelters at the time of the raid but that a rocket had killed a 39-year-old doctor. The correspondent said the hospital "offered a spectacle of desolation" with heads and electronic equipment destroyed, walls and windows blown in.]

Hanoi Names Pilot
The North Vietnamese radio today listed Air Force Capt. Richard Logan Francis as one of the U.S. pilots it claimed were shot down after five planes were shot down over Hanoi yesterday.

Radio Hanoi gave his serial number as 448-40-9785FV and said his records listed him as being born April 6, 1943. The Vietnamese language broadcast said Capt. Francis had injured his right arm when he parachuted from his plane.

SEATO Talks End, Peace Chance Seen
CANBERRA, June 28 (AP).—The Southeast Asia Treaty Organization's ministerial council agreed today that the "chances of building a lasting peace now seem better than they have been for a long time."

This was disclosed in a 2,000-word communiqué issued after a two-day meeting of the station council in Parliament House here.

The communiqué qualified chances of a lasting peace by saying this conclusion was reached "on balance."

Accuse Nixon of Cynicism

Reds in Paris Again Charge U.S. Destroys Dikes in North

By James Goldborough

PARIS, June 28 (UPI).—The Viet Cong delegation to the Paris peace talks today accused President Nixon of cynicism for "shedding tears over the victims of recent U.S. floods at the same time he is destroying the dikes and planning to submerge North Vietnam under water."

Ly Van Sau, the Viet Cong spokesman to the suspended peace talks, repeated charges by Hanoi representatives that the United States is carrying out "systematic destruction of dikes and flood-control systems" in North Vietnam.

Mr. Sau said that impartial witnesses, including diplomats, whom he did not name, had seen the destruction of North Vietnam's dike system. He accused the Nixon administration of carrying on a war of "genocide, homicide and ecocide," and showed a map of areas of South Vietnam that he said had been destroyed by chemical warfare and U.S. bombardments.

He also showed photographs of what appeared to be a severely damaged canal.

U.S. sources, some of them critics of the war, have said they know of no U.S. plan to destroy dikes and dams in North Vietnam purposely. Last week, Vo Van Sung, Hanoi's delegate general here, said U.S. pilots were "not aiming for the dikes but 'near them' to weaken them when the floods come."

Both the North Vietnamese and the Viet Cong have been holding weekly news conferences since the peace talks were suspended May 4. Neither delegation, however, has had much to say politically, and it is apparent that they will not until after the return here of Xuan Thuy, the chief Hanoi negotiator, who is in Hanoi.

Mr. Sau denied that there had been any change in Communist policy, and said that the seven-point peace plan still was the basis for agreement.

He said that yesterday's boycott by more than half the South Vietnamese Senate on a vote granting special powers to President Nguyen Van Thieu showed that the South Vietnamese were divided. "That is why we want a three-part government," he said.

He brushed off questions on reported South Vietnamese military successes and repeated the standard assertion that the "liberation forces" are "attacking and winning from the Mekong Delta to the 17th Parallel."

Free Elections Next
He emphasized that the three-part coalition would be only "provisional" and that its job would be to organize "free elections."

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He brushed off questions on reported South Vietnamese military successes and repeated the standard assertion that the "liberation forces" are "attacking and winning from the Mekong Delta to the 17th Parallel."

Weyand New Commander In Vietnam
WASHINGTON, June 28 (AP).—President Nixon today named Gen. Frederick C. Weyand, commander of U.S. forces in Vietnam. The move was widely predicted.

Gen. Weyand replaces Gen. Creighton Abrams as commander of the Military Assistance Command in Vietnam and of the U.S. Army in Vietnam. He has been deputy commander of MACV since September, 1970, under Gen. Abrams, who was nominated to be Army chief of staff.

Gen. Weyand's post as deputy commander of MACV goes to Air Force Gen. John W. Vogt, who also will remain commander of the Seventh Air Force.

The White House also said Maj. Gen. Alexander M. Haig, No. 2 man to Henry Kissinger on the National Security Council, will go to South Vietnam and Cambodia on a fact-finding mission.

Bhutto Meets Mrs. Gandhi
(Continued from Page 1)

least a tacit agreement that the present division of Kashmir, the result of past military clashes, should be accepted by Islamabad eventually after a gradual process of cooling the public temper in Pakistan.

According to an Indian official spokesman, Mrs. Gandhi and Mr. Bhutto met for about 30 minutes, during the news talks were routine agreement on procedures. Then, the discussions were turned over to the committees of officials. Aziz Ahmed, secretary-general of the Ministry of External Affairs, headed the Pakistani side. D.P. Dhar, chairman of the Policy Planning Board, led the Indian team.

The officials met for two hours in the evening reportedly discussing the agenda for talks between Mrs. Gandhi and Mr. Bhutto, and agreed to meet again tomorrow morning. Just when the two heads of government will meet again has been left open.

In her statement of welcome, Mrs. Gandhi referred to "many changes" in world political situations, and urged that the discussions "forget the past and look to the future."

"We are dealing with a very difficult situation," Mr. Bhutto said in response. He added that the Pakistani side "would forget past bitterness and hostilities and will strive to attain peace with honor."

Peking Mounts Attack on U.S.
PEKING, June 28 (Reuters).—China today criticized the increased use by the United States of air bases in Thailand to strike at North Vietnam targets, and said that U.S. planes had carried out "savage bombing" of Hanoi and other places in the North.

It appeared in the official Communist party journal People's Daily in a front-page article signed by "Commentator," under whose authoritative signature the paper comments on matters of major international importance.

And in Geneva, Dr. Eugene Carson Blake, secretary-general of the World Council of Churches, today called the French government to protest the nuclear testing program.

Thieu Foes Protest Full Powers Bill

Call It Illegal And of No Effect

By Craig R. Whitely

SAIGON, June 28 (UPI).—Saigon's political opposition began to stir up an uproar today, the ramming through the late last night of a bill by President Nguyen Van Thieu granting special powers.

The vote, which was taken before midnight by pro-government senators after all the position legislators had gone in accordance with the curfew that begins at 10 was 28 in favor of the bill none against. The full Senate has 97 members.

Fraudulent Action
Why all the opposition had gone home and whether they knew that the pro-government forces were up to last night's questions that remained unanswered today. But the government had its bill, and the opposition was claiming that it was nothing to do with what it called the fraudulent action.

The bill was officially mitigated by Mr. Thieu. The Senate speaker, Nguyen Huynh, who had recessed, Senate and gone home last evening before the pro-government senators got Pham Nhu Thieu, the second deputy chairman, to re-open the session and prevent the vote, said that he had been a "latter" to the president, announcing that "the law" was of no legal standing.

The 18-member Senate, the so-called People's Senate, also issued a declaration rejecting what they called a decision by a group of 27 senators, counting Sen. Phien, "absolutely unconstitutional and of no effect."

The bloc's statement said that "all measures and acts by the government based on illegal decisions will be considered null and void."

Sen. Vu Van Mau, a lead Buddhist opposition legislator, accused Sen. Phien of having "usurped" the power of Senate speaker.

Speaker Huynh had recessed the Senate until tomorrow when he left the hall at 8:30 p.m.

Mr. Thieu felt strongly that he needed the special powers not because his government was the powers it confers upon him, but to present a strong appearance to the world in face of the current North Vietnamese offensive.

He originally had requested broader special powers bill early April. The Senate had rejected that bill June 2, although the lower house passed it, limited to matters of national defense and the economy, on June 10. It was the limited bill that was approved the surprise vote last night.

Meanwhile, the government announced today that it had apprehended two men who confessed to the assassination of Nov. 10 of Prof. Nguyen V. Bong, the head of a pro-government political movement, a that the two men had acted under instructions of the Communists.

The two, Vu Quang Hung and Le Van Chau, were arrested in police roundup of suspected Communists late last month. They allegedly confessed to the government's secret police that they had planned the assassination of three high-ranking officials and thousands of prisoners under Ph. Bong's care.

Prof. Bong said two passengers were killed.

U.S. South Korea Sign \$16-Million Navy Pact
AIR FORCE ACADEMY, June 28 (UPI).—U.S. Defense Secretary Melvin Laird wound two days of talks with South Korean defense officials yesterday by signing an agreement aimed at strengthening Korean naval forces.

The agreement, apparent worked out before Mr. Laird meeting here with South Korean Defense Minister Yu J. Hu will provide South Korea \$16 million in credits to acquire three gunboats from the U.S. Navy.

Weyand New Commander In Vietnam
WASHINGTON, June 28 (AP).—President Nixon today named Gen. Frederick C. Weyand, commander of U.S. forces in Vietnam. The move was widely predicted.

Gen. Weyand replaces Gen. Creighton Abrams as commander of the Military Assistance Command in Vietnam and of the U.S. Army in Vietnam. He has been deputy commander of MACV since September, 1970, under Gen. Abrams, who was nominated to be Army chief of staff.

Gen. Weyand's post as deputy commander of MACV goes to Air Force Gen. John W. Vogt,

Senate Entrance

Prominent Persons Among 115 Arrested in Vietnam Protests

By Betty Medsger

WASHINGTON, June 28 (UPI)—A group of prominent persons, including a senator, a congressman, a former vice president, and a former secretary of state, were among the 115 persons arrested yesterday in a demonstration against the Vietnam war.

Use, Senate Opt Major Financial Bills

WASHINGTON, June 28 (AP)

House voted yesterday to use the Senate's \$11.1-billion appropriation for the Labor and Education and Welfare departments, some \$3.7 billion of which President Nixon had vetoed.

The House also voted to use the Senate's \$1.5-billion appropriation for the Defense Department, which President Nixon had vetoed.

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NON-VIOLENCE—Anti-war protesters lying on the floor of hall leading to Senate chamber in the Capitol Tuesday.

McGovern Upheld in Winning All of California's Delegates

By Lou Cannon and William Chapman

WASHINGTON, June 28 (UPI)—A Democratic party Credentials Committee hearing examiner yesterday upheld California's winner-take-all presidential primary in an action that dealt a severe blow to the slim remaining chances of blocking Sen. George McGovern's presidential nomination.

In a second controversial case, another hearing officer ruled that Chicago Mayor Richard J. Daley's organization violated several reform rules in electing the mayor and 58 other Illinois delegates.

The California "findings of fact" by former Assistant Attorney General Burke Marshall left up to the 150-member Credentials Committee and the full convention a decision on the key issue of whether the Fraser Commission, which produced the Democratic party reform guidelines, had the authority to permit a winner-take-all primary.

However, Mr. Marshall's findings upheld Sen. McGovern's contention that he had complied with the guidelines and that other candidates had agreed to the winner-take-all primary in advance.

McGovern won 271 delegate votes in California, where he polled 44.3 percent of the vote to Sen. Hubert Humphrey's 39.2 percent. Seven other candidates divided the other 16.5 percent of the vote.

Mr. Marshall's ruling also dismissed a contention of the Humphrey forces that Sen. McGovern had violated a "national party standard" of Dec. 2, 1971, in which the candidates agreed to limit media spending in California to \$400,000 per candidate.

Frank Mankiewicz, the chief McGovern strategist, said that the Marshall ruling "exposes the California challenge (as) a frivolous attempt to achieve by political maneuvering what couldn't be won fairly at the ballot box."

However, Humphrey strategists immediately made clear that they intend to fight the challenge, which also is supported by Rep. Shirley Chisholm, D., N.Y., Sen. Henry Jackson, D., Wash., and former Sen. Eugene McCarthy—before the Credentials Committee tomorrow and at the Democratic National Convention.

In the Chicago case, the Democratic party's hearing officer, Cecil F. Poole, held that Mayor Daley's organization violated several different reform rules to elect delegates from eight congressional districts.

Mayor Daley's organization secretly formed slates of delegates without allowing public participation, Mr. Poole said, and then supported those slates with sample ballots distributed by precinct workers.

The Illinois party had no rules describing how other people could participate, he found. Furthermore, the Daley delegations do not measure up to the requirement that minorities, women and young people be included, he said.

Mr. Poole's report reinforces the arguments of Chicago independent Democratic challengers who want Mr. Daley's delegates unseated. Unless a compromise is reached, there is a strong chance the Credentials Committee will vote to unseat Mr. Daley Friday.

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Less Hoopla and Frills

Democrats Hope to Cut Convention Costs

By Nicholas C. Chris

MIAMI BEACH, June 27—Democratic party leaders, up to their necks in unpaid bills from 1968, are conducting business on a pay-as-you-go basis here where preparations are under way for the July national convention.

The four-day gathering next month has been called a "no-nonsense" convention by party chairman Lawrence O'Brien.

It is supposed to have less hoopla and frills and more reform than any in the past and, hopefully, will cost a little less than the others.

And, for the first time in history, all the bills will be paid by the time it ends. Hopefully.

Richard J. Murphy, the convention manager for the party, estimates that the total convention cost will be about \$2 million and said, "We're paying the bills as they come in."

Staggering Debt
The Democrats don't have much choice. They have a staggering debt of \$9.5 million accumulated from the 1968 convention and campaign.

The Republicans, on the other hand, have a \$10-million war chest for their campaigning this year, including their convention, which will be held here in August.

Also for the first time in history, there will be a new rule book at the convention.

The convention magazine, called Democrats in Convention, notes that the new reform rules "tear away the sentiment and debris of more than a century, abolish the pointless, boring and sometimes unfair procedures that encumbered the Democratic conventions through 1968."

For one thing, the historic alphabetical roll call of states beginning with Alabama, will be no more. Instead, the states will be called by lot so that more chance will decide the order of presidential and vice-presidential nominations and the order of balloting.

1968 Started Reforms
Such reforms stem from the controversy and chaos of the 1968 Chicago convention.

Supposedly, there will be no parades this year, no hired hands and no paid "spontaneous" demonstrations on behalf of a candidate.

Each candidate will be given 15 minutes for nomination and seconding and any "spontaneous" demonstrations will count against his time.

Some oldtimers already here for the convention, say that they will have to see all of this to believe it. And no one knows how successful the new rule book will be once the convention gets under way.

For example, no longer will the Democratic party hold any delegate to be bound by state law or by the majority of his delegation to vote against his preference.

Mr. O'Brien said that it is the kind of convention in which "the secrecy of the legendary smoke-filled rooms will be prohibited, confusing and delaying parliamentary tactics will not be tolerated and minority views will be heard."

Hopefully, the exorbitant costs of 1968 also will be avoided.

Request for Funds
Party officials claim that they are sending direct mail requests to a million Americans asking for contributions to support the party, and to break away from the large private contributions of the past.

Still money and the pay-as-you-go plan doesn't seem to be causing any problems here among the advance party of Democratic officials preparing the convention, although the bills are large.

They include at least \$80,000, probably more, for security—something the Democrats are extremely sensitive about these days.

James McCord, one of five men arrested recently inside the party's national headquarters in Washington, spent some time in Miami Beach about two weeks ago. It was learned that he was in the same hotel where the Democrats were setting up their national headquarters. The five men had with them diagrams of the Miami Beach hotel where Sen. George S. McGovern plans to have his headquarters during the convention.

This has meant extensive daily sweeps of the hotel areas by experts looking for bugging devices and telephone taps.

And there are other expenses. Such as \$110,000 for a podium and at least \$80,000 for carpeting. There is also at least an \$80,000 telephone bill, although the Democrats haven't paid the 1968 telephone bill yet.

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Wallace's Assailant Pleads Insanity to State Charges

UPPER MERLEBORO, Md., June 28 (AP)

Arthur H. Bremer, "pleaded innocent by reason of insanity today to state charges in connection with the shooting of Alabama Gov. George C. Wallace and three other persons."

The plea was entered by Benjamin Lipsitz, Baltimore attorney for Bremer. The 21-year-old Milwaukee defendant was not in the courtroom.

An earlier plea of innocent was entered for Bremer at his arraignment May 30 by the court.

Bremer is also under federal indictment in connection with the shooting of Gov. Wallace at a campaign rally at a Laurel, Md., shopping center. He has pleaded

innocent to those charges. Insanity may be used as a defense but not a plea in federal proceedings.

The state trial is scheduled to open here July 12 and the federal trial five days later in Baltimore. Mr. Lipsitz has made a motion to delay the state trial but a ruling has not yet been issued.

Wallace Condition Improving
SILVER SPRING, Md., June 28 (AP)—Alabama Gov. George C. Wallace will be able to attend the Democratic National Convention July 10 in Miami Beach, according to his physician.

Dr. Stacy Rollins, Gov. Wallace's classmate and the neurosurgeon who removed the bullet following an assassination attempt against the governor, said that Gov. Wallace has shown steady progress.

He will remain in Holy Cross hospital for at least seven more days, Dr. Rollins said.

In New York, meanwhile, the National Broadcasting Co. said Gov. Wallace will participate in person in a two-hour live Press program July 9 in Miami with the other major Democratic presidential aspirants.

Opium Farmers Backed in Turkey
ANKARA, June 28 (UPI)—More than 100 members of the dominant Justice party proposed today that Turkey renounce a decision to stop growing and processing opium by Dec. 31.

They said former Premier Nihat Erim banned opium under pressure from President Nixon and that this step harmed the livelihood of 70,000 farmers who raise the opium poppy as a main cash crop.

Unlimited choice of stones at the world famous jeweler. His most exclusive creations make his motto more than true: from the mine to the jewel.

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in Pentagon Papers Case claim New Anderson Leak

LOS ANGELES, June 28 (AP)

Attorneys for Daniel Ellsberg, the man who leaked the Pentagon papers, have termed "false and government charges that Ellsberg recently leaked more papers."

Attorneys replied yesterday to a government motion for a subpoena to investigate the source of the leaks.

Ellsberg, 33, asked for dismissal of the indictment against him that his chance for a

trial had been prejudiced by the prosecution's statements. Mr. Ellsberg, 41, merely opposed the government's motion.

They are charged with conspiracy, theft of government property and violation of the Espionage Act in the publication of the papers last year.

Last week, an assistant U.S. attorney, David Nissen, accused the defense of leaking to columnist Jack Anderson four volumes of the papers detailing diplomatic efforts to end the Vietnam war.

The defense won access to the volumes in earlier pretrial hearings.

Mr. Nissen said that he had seen extracts from the four volumes in Mr. Anderson's column. They have since been made available by him to The Washington Post, and printed there.

Mr. Anderson has denied that he received the four volumes from Mr. Russo and Mr. Ellsberg.

Connally Visiting Cambodia, Singapore

SINGAPORE, June 28 (UPI)

Former U.S. Treasury Secretary John B. Connally, a special envoy of President Nixon, arrived in Singapore tonight on a two-day visit.

Mr. Connally flew here from Phnom Penh, Cambodia, where he made a six-hour visit earlier in the day and conferred with President Lon Nol and U.S. Ambassador Emory C. Swanik.

Lavelle, who was Air Force commander in Southeast Asia, is scheduled to retire after the war comes to light, has agreed that he ordered unauthorized bombing raids on Communist forces as a reaction to strikes. Lavelle told House investigators that Gen. Abrams, overall commander in Vietnam, was of the raids. The Defense Department denied that Gen. Abrams had any knowledge of the bombings which took place during a four-month period to last



OPS—A Wellington, New Zealand, pilot boat recently gave a very good example of how not to enter the harbor. After putting a pilot aboard an inbound ship, the launch Tiakina (Maori for Take Care) ran up on reef. Launch's master was suspended for 2 months.

Country Whaling Parley Goes Call for Moratorium

By Bernard Weinraub

EDON, June 28 (NYT).—Representatives of 14 whaling nations met today to discuss the fate of the whale. The session, sponsored by the International Whaling Commission, was part of a week-long debate on whaling. The United States, Soviet Union, and Japan are the major whaling nations. At stake is the threatened extinction of whales in the northern Pacific and Atlantic Oceans.

U.S. position is noisily
pioneered by a group of Amer-

Cal's Schaffer, Onbaler in Czarist Sett, Dies at 72

NEW YORK, June 28 (NYT).—Alexander S. Schaffer, 72, president of A La Vieille Russie, and one of New York's noted dealers in Russian art and works of art, died last Saturday while on a business and pleasure trip. Mr. Schaffer started out modestly on a career here. In the late 1920s he worked for the Hammer, who later became a collector of the Hammer Galleries. Recently, executive vice-president of Knoedler's. After his partnership in Knoedler's, Schaffer began a series of travels to the Soviet Union, which he described as the "Russian treasure."

Arturo DiFilippi
AMI, June 28 (AP).—Arturo DiFilippi, 78, founder of the Opera of Greater Miami and its director for 31 years, died yesterday. A native of Italy, Mr. DiFilippi came to the United States in 1912 as an immigrant. He was in the nation, operating a budget of more than a million dollars.

udent-flights

to U.S.A. and Canada

(from Amsterdam)	one way	round-trip
York	\$115.—	\$178.—
ago	\$162.—	\$272.—
into	\$142.—	\$229.—
Israel	\$139.—	\$217.—
Angela	\$217.—	
Frank	\$217.—	

Intra-European Flights (from Amsterdam)	one way	round-trip
don	\$16.20 (daily)	
enhagen	\$25.70	
ich	\$23.50	
ne	\$37.80	
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Vatican Moves to Recognize Poles' Postwar West Frontier

By Paul Hoffmann

ROME, June 28 (NYT).—The Vatican in effect recognized Poland's western frontiers today by appointing Polish bishops to territories that once belonged to Germany, and by other changes in the Roman Catholic Church administration.

The Communist government and the church hierarchy in Poland had long been pressing for such adjustments. The chief Vatican spokesman, Federico Alessandrini, stated that today's church measures had been made possible by the recent ratification of the treaty whereby West Germany had guaranteed Poland's Oder-Neisse border.

The spokesman declared that the Vatican had reorganized the church structure in Poland's west "to meet pastoral needs." This seemed to imply something less than the formal acknowledgement of the Oder-Neisse line as Poland's western border that the Warsaw government had demanded.

Good-Will Gesture

Today's announcement was a good-will gesture by the Vatican toward Poland that may help im-

prove state-church relations in that strongly Roman Catholic country.

Churchmen here said they expected new negotiations between the Vatican and the Polish government to start soon, and possibly lead to early establishment of a diplomatic tie. The only Communist-governed nations with which the Vatican at present maintains diplomatic relations are Cuba and Yugoslavia.

The Vatican and the Roman Catholic hierarchy in Poland seek authorization from the government to build many new churches, and today's decisions may make Polish authorities amenable to granting such permits.

There was also renewed speculation among ecclesiastics here that the decision may make it possible for Pope Paul VI to undertake a journey to Poland.

The 74-year-old Pope, who during the nine years of his pontificate has traveled to all continents, wants to revisit Poland where he once served briefly as a young church diplomat, members of his entourage say. Sev-

Texas Claims 42-Hour Record For Filibuster

AUSTIN, Texas, June 28 (UPI).—Mike McKeel, a 5-foot-4 state senator from Dallas known as Little Hercules, claimed the national filibuster record today talking for 42 hours and 23 minutes trying to convince the Texas Senate to spend more money for mental health services.

Sen. McKeel, 53, had three days of whiskers when he finished and took long drinks of milk from a soda pop bottle. It took the Senate less than five minutes to ignore Mr. McKeel's filibuster. It passed a no-new-taxes state budget bill that did not include the \$71 million for mental health services he wanted added.

ent overtures by the Vatican for such a visit were rebuffed by the Polish government during the last few years on the ground that the ecclesiastical situation in the western border area was still unsettled.

3-Day Strike by Italy's Pilots Starts, Cutting Many Flights

ROME, June 28 (Reuters).—Most of Italy's 1,600 pilots began a three-day strike today and Alitalia and the domestic airline ATI were forced to cancel 32 of their 138 flights. The situation was expected to worsen before the strike ends Friday night.

Most passengers on domestic flights were able to travel today, but often had long waits. Both airlines drew heavily on the few hundred pilots not taking part in the strike to operate as many domestic flights as possible.

Many Italians had not been informed of the strike because there have been few newspapers due to another labor dispute.

Tokyo Flight Canceled

Two intercontinental flights—Tokyo and New York—12 international flights and 38 domestic ones were canceled today.

The strike, the second in four days, is part of a scheduled 120 hours of staggered stoppages called by pilots to force a resumption of talks on a new work contract. The old one expired Jan. 31.

Newsmen were in the second day of a nationwide strike against

newspapers that stopped publication of Monday editions because of the cost of differential pay for Sunday work. Only a handful of newspapers not involved in the dispute appeared.

Newsmen were going back to work tonight—although vowing to strike for 48 more hours in the next week—but printers scheduled a strike against Saturday afternoon and Sunday newspapers.

In another dispute, Rome's movie industry workers, including actors, directors and technicians, called an 11-hour strike today to protest the closing of the Dino de Laurentiis studios on the outskirts of Rome.

Paris Train Toll 108

SOISSONS, France, June 28 (AP).—The death toll of the June 18 collision of two passenger trains in a tunnel north of Paris rose to 109 yesterday when a man injured in the crash died in a Paris hospital. A woman victim of the wreck was reported in serious condition and being treated with a kidney machine.

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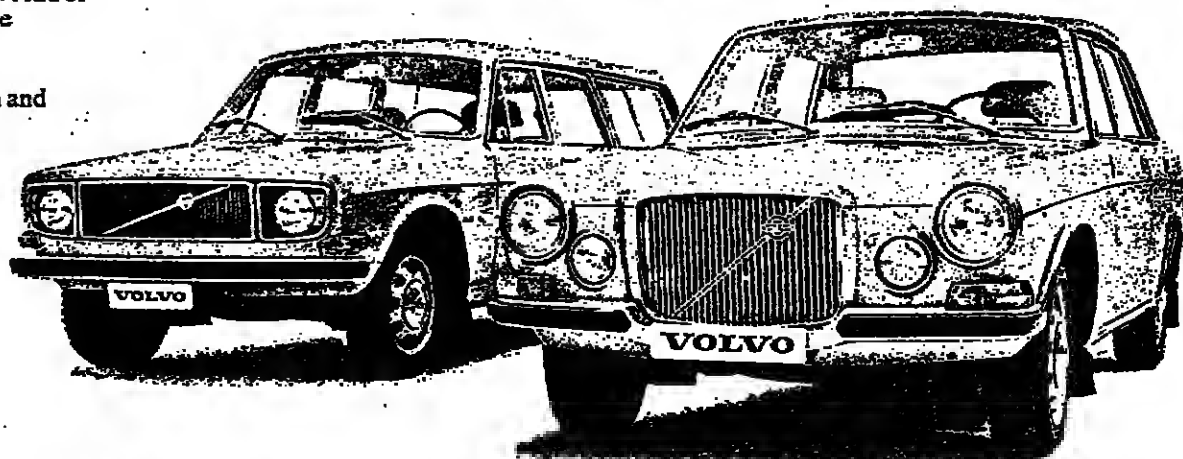
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The Art of Floating

Britain's decision to float the pound violates tradition in that it is an entirely rational move, taken at the right moment, at minimum cost to the world. If the British government had chosen to follow tradition, it would have waited until its reserves were depleted by a futile effort to prop the pound up at an artificial level. It would have pumped the arithmetical value of its currency up into a test of its own national honor and other nations' good faith. It would have gone through the whole Wagnerian ritual of a full-blown monetary crisis in the grand manner, moving in stately rhythms toward a climax both disastrous and inevitable. It would have demonstrated once again, in short, all the reasons that make the tradition exceedingly costly.

The British float demonstrates clearly the extreme fragility of the Smithsonian agreement last December. There the world's leading trading nations arrived at a new set of values at which to exchange their currencies. But any set of fixed values is necessarily short-lived. The world's currencies are constantly shifting in respect to each other. One chief reason is that nations vary greatly in their toleration of inflation. The West Germans, for example, have a profound fear of inflation and will pay a stiff price to control it. The British, in contrast, currently enjoy the highest inflation rate of any major industrial nation. As a result the West German mark rose last year in relation to most of the world's other currencies, and the British pound is now falling. The Smithsonian agreement was originally supposed to be a stop-gap, to provide a little time in which the world could rebuild its monetary system to adjust itself constantly to shifting values. But once the stop-gap was accomplished, all the nations began to lose interest in the issue.

The conventional system of fixed rates is working increasingly badly because the amounts of money in play have risen very rapidly. The enormous expansion of international business and banking in recent years has set in circulation huge sums of short-term capital that travels by telephone, restlessly seeking safety, or high interest rates, or investment prospects. The float of the pound will probably set off another spate of talk in the world's treasuries about the need to control capital movements. But the American experience, and most other nations', has shown it to be extremely difficult.

The importance of the Smithsonian agreement lay in the success of the United States in persuading its trading partners to let us cut the value of our dollar to make U.S. goods cheaper abroad. The importance of the British decision lies in its acknowledgment that, after six months, the pound was seriously overvalued in relation to the dollar. At the Smithsonian, it was the governments that set the rates of exchange. But now the British are going to let the market set the value of the pound. It will be worth, from day to day, what the world's bankers and traders will pay for it.

Ideally, no doubt, it would be best to have a formal international agreement to administer flexible exchange rates. But, as a practical matter, that great reform does not seem likely for some considerable time. The float is a respectable alternative. It has the advantage of reflecting faithfully the realities of the world economy, in strong contrast to a desperate effort to cling to an obsolescent Smithsonian agreement. In principle, there is nothing wrong with a float. In practice it promises to work well for the British and, very likely, for other countries in the months to come.

THE WASHINGTON POST.

Middle East Myopia

For the sixth time in less than four years, the UN Security Council has condemned Israel for retaliatory raids against Lebanon without seriously addressing the root of the problem—deadly Palestinian guerrilla attacks against Israel from Lebanese soil. The myopic, partisan approach to incidents in the Middle East can only serve further to exacerbate tensions, to undermine the UN's efforts to promote an Arab-Israeli settlement and to erode whatever confidence still exists in Security Council resolutions.

Although the council acted in response to a Lebanese government request, its failure to condemn Palestinian extremists for their provocative violence is almost as much of a disservice to Lebanon as it is to Israel. The Lebanese, necessarily the least belligerent of Israel's Arab neighbors, clearly have no interest in picking a quarrel with the Israelis. But Lebanon is too weak militarily and politically to be able to control the guerrillas on its own.

Strong UN condemnation of the Palestinian extremists might at least offer some encouragement to those elements in Lebanon who are calling for a crackdown on the guerrillas. It would also take the council out of the contradictory and self-defeating position of appearing to condone violence on the part of groups which have persistently rejected UN proposals for a peaceful settlement of the Arab-Israeli dispute, from the original Palestine partition plan to the resolution of Nov. 22, 1967.

It is time the world organization—and especially its Arab members—distinguished between the violent demands of those die-hard provocateurs and the legitimate interests of the Palestinians who want to live at peace with Israel in a portion of their old homeland, which they could call their own. The Security Council could play a far more constructive role if it focused its efforts on promoting a settlement that fulfills this reasonable goal.

THE NEW YORK TIMES.

International Opinion

India-Pakistan Summit

Before leaving Lahore, Mr. Bhutto made it plain that he was ready to resume diplomatic relations and communications with India. He is also ready to recognize Bangladesh, provided that Sheikh Mujibur Rahman renounces his intention to try West Pakistani prisoners for war crimes. The sheikh is not expected at Simla, though his presence may become essential. Mrs. Gandhi will not press her present advantage for an immediate Kashmir "solution" in favor of India, but she will want to edge Mr. Bhutto out of his policy of equilibrium, to readjust frontiers and reach an understanding with the subcontinent. Much at this summit between victor and defeated will depend on her showing magnanimity.

—From the Daily Telegraph (London).

French A-Tests

The protests against the nuclear tests are the expression of vague individualist demands against the assertion of a national right. Is it necessary to point out that the use of this right cannot be denied France? In Australia, fanciful parachutists are thinking of getting the tests called off by dropping in at Mururoa Atoll. This is only the infantile expression of a peevish frame of mind.

These Australians who are demanding that France stop its tests in the Pacific are encouraging the American bombing raids in Vietnam.

And what about Peru? Here it is protesting against tests taking place 6,000 kilometers away from its territory when it has never been upset by the numerous American explosions in Nevada, when the distance involved is the same. The tests are France's right, a right exercised only in the interests of peace, without any wish to harm any nation at all. The French atomic weapon was conceived on the initiative of Gen. de Gaulle to guarantee our policy of independence and to consolidate peace.

—From La Nation (Paris).

Italian Politics

For the victory of the Italian right wing, this time, the Italian left wing is to be credited. The sudden movement of the Christian Democrats into the right has surprised the Communists—more than the Socialists, who remained out of the coalition on purpose. This is why Socialist leader Mancini said that the Communists are regretting more than the others the loss of the left-center, even though they criticized it most. The rift not only reflects current conflicts, but even more is anticipating the future ones.

—From Politika (Belgrade).

In the International Edition

Seventy-Five Years Ago

June 23, 1897

PARIS—Siam seems to be a storm center just now. Recent telegrams say that Cambodians under French protection have been murdered by the Siamese. Rape, outrage and bloodshed are spoken of. So far no authoritative report has been forthcoming, and until something definite is known it would be well to keep cool and do nothing more than wait. But it does seem to appear that whatever the trouble between France and Siam, England is not at the bottom of it.

Fifty Years Ago

June 23, 1923

ROME—Signor Giacomo Puccioni, known in America only as a composer, has a reputation in his own country also as a keen business man. He has just completed a deal with a certain American musical firm, which is said to have paid \$120,000 for the privilege of "jazzing" a theme from "La Tosca" and at the same time he has registered another success in Venice where he collected insurance on a lost boat... 800,000 lire worth of insurance. He is known to be a millionaire.



London Views Détente in Europe

By Bernard D. Nossiter

LONDON—The British diplomatic corps is getting tired of being labeled the West's odd man out over détente in Europe. It is obviously true that Prime Minister Edward Heath has not made a trip to Moscow like President Nixon, has not launched an Ostpolitik like Chancellor Brandt nor promoted the European security conference like President Pompidou. But officials here remind callers, including the censorious Russians, that Britain was pushing détente under Harold Macmillan long before it became fashionable in Bonn or Washington.

For Moscow, which has been rapping British knuckles in public lately, the key test of goodwill these days is a nation's attitude toward the Russian-proposed security conference.

London insists it not only expects the meeting to take place next year but can even see some positive results flowing from it. No great ones, mind you, but some useful ones, particularly in creating a happier East-West atmosphere.

All But Fixed

Diplomats here think the big meeting will be set for May or June in a neutral capital, probably Vienna or Geneva. The participants, it is said, are now all but fixed. The gathering will include the United States, Canada and all the nations in geographic Europe, including neutrals. There has been some suggestion that since Turkey is coming, why not other Mediterranean states like Algeria or Tunisia. But that idea is not likely to get very far.

The British make plain they have few illusions about the great meeting. They talk privately about the inevitability of propaganda and empty rhetoric. They think it will be hard to resist a Russian proposal for a grand sounding declaration of principles, along the lines of the one adopted by Messrs. Nixon and Brezhnev in Moscow, calling for "peaceful coexistence," the renunciation of "force" and the promotion of "commercial and economic ties."

Diplomats here also predict agreement on a wide range of studies to foster cooperation over environmental concerns, trade, scientific and cultural exchange. Finally, the biggest gain forecast for the Soviet Union is the mantle of respectability that will be draped over East Germany. That nation will be sitting at the table, perhaps for the first time as a full participant in a political gathering with the West.

In London's view, the conference could produce some dividends for the West as well. For one thing, it might encourage moves toward independence in Eastern Europe, a road boldly traveled by Yugoslavia, more cautiously by Romania and hinted at in Poland.

In addition, if the West plays its cards well, diplomats here think at least a paper agreement could be reached pledging freer access for people and ideas across bloc lines. Eminent cold war scholars here think this is a necessary concomitant of a multipolar world, one that no longer looks exclusively either to Washington or Moscow.

'Cooperation'

The British are working on at least one interesting idea under the heading of "cooperation." They envision a deal to exchange

information about troop dispositions in Europe. Thus, if either the Warsaw Pact or the NATO bloc moved a division or two around, each would be obliged to notify the other in advance about the whys and wherefores.

In Moscow, President Nixon and Secretary-General Brezhnev agreed that preparatory work on the security conference would go forward hand in hand with preliminary work on a much longer issue, the proposed mutual and balanced reduction in forces by the two blocs.

Here, the British, like the French and the Russians, are extremely doubtful that anything useful will emerge. London's top diplomats understand the American impetus behind MBFR (mutual balanced force reduction), a device invented to dampen congressional pressure for unilateral cuts. British diplomats are far too sophisticated to get involved in American elections, but it reveals no secrets to report they are not enchanted with George McGovern's proposal to bring back troops from Europe without any quid pro quo.

They are also pessimistic about finding an MBFR formula that would work. The difficulty, said to be understood on all sides, is

that withdrawing one American soldier is not the same as pulling back one Russian, that the Russian could get back into the line much quicker. So the problem becomes one of defining equal man-distances, a proposition easier to state than express.

Not Dismayed

The British say they have run this through their computers and anything acceptable to the West would not be agreeable in the East and vice versa. Unlike the European security conference, the MBFR bargaining is expected to be prolonged, difficult and probably fruitless. As far as can be determined, that prospect does not dismay British diplomats.

London now says it believes Russia genuinely wants stability in Europe and Britain welcomes that. But at the same time, the word here is "keep your eyes open." British diplomats say they cannot tell whether the new Soviet stance is the first phase in a global effort at stability or whether Moscow wants Europe quiet in order to have a freer hand in the Middle East and Far East. In sum, London says it is not troubled by the forthcoming security conference nor is it throwing any asots in the air.

McGovern and Political Continuity

By David S. Broder

WASHINGTON—It was noted, with some relief, by observers of this week's preliminary to the Democratic National Convention that in just 48 hours the McGovern delegates began to behave like professionals.

Last Friday night, the South Dakota senator's supporters on the platform committee caucused to discuss their problems—in public. On Sunday evening, they had a second session—behind closed doors.

That it took these zealous amateurs and reformers only two days to discover the virtues and advantages—indeed, the necessities—of the back room is a reassuring sign to those who feared that McGovern's advent meant the end of politics as they had known it.

A Reminder

It also served as a useful reminder that the development of our national political parties is not a series of separate, isolated events, but a continuous process, in which each of the quadrennial nomination struggles is related to what has gone before.

When all is said and done about "new politics," George McGovern locked up this year's Democratic nomination in exactly the same way every opposition party nominee has won for the last 28 years—by beating his active opponents in the major presidential primaries.

As Milton Gwirtzman has pointed out in his writing on this subject, not since Wendell Willkie in 1940 has there been any deviation from the "Iron Law" that says the opposition nominates the candidate who wins what are deemed to be the crucial primaries (or primary).

came to dominate the nomination process (directly, through selection of delegates, and indirectly, through their impact on public opinion), that nomination represents a sort of instant measure of the strength of the rival candidates at the critical period in the late spring or early summer of the presidential year.

It is as accurate a gauge as one can get of the momentary standing of the contenders—but it is no more than that. Specifically, it is not a reliable indicator of the direction the party is moving on any long-term basis.

There is a major distinction, which McGovern and his backers are now learning, between capturing nomination and being acknowledged as the leader of the party.

The parties, formless as they sometimes seem, have a sense of themselves as continuing institutions. When the Democrats meet in convention, they bring with them their traditions and long history, their constituency loyalties, and their confidence that their party has a future more assured than that of the man who happens to be at the moment their prospective nominee.

Those institutional forces and memories are not erased overnight. They are at least as significant as the California primary returns. If the victor in the nomination struggle is to succeed in the election campaign and, later, in governing the country, he must find a way of accommodating himself to those forces, even while he begins to reshape them to his own vision of the future.

Letter From Estonia Living in the Shadow Of Powerful Neighbors

By Robert G. Kaiser

TALLINN, Soviet Estonia.—High television antennas rise above the roofs of most of the neatly arranged homes and apartment houses of this old, Germanic city. They are aimed at Helsinki, 50 miles to the north, Finnish television programs are said to be extremely popular in Soviet Estonia.

The Estonians get real news of the outside world from their Helsinki connection. It is one of many ways that they seem to retain a special identity, though they are legally an integral part of the Soviet Union. Estonians speak their language (a very close cousin of Finnish) preserve their own medieval capital, adhere to their own, relatively liberal standards in the arts, and generally create an atmosphere that feels far removed from Russia. To a Westerner who lives in Moscow, Estonia feels a lot more like home.

Tallinn looks like the world that interior decorators have in mind when they design restaurants called the "Hofbrau House." It is a real Hanseatic town dominated by German traders for generations, and still largely preserved as it was built in the 14th and 15th centuries. The old town rises on a steep hill. Its narrow, winding streets are still paved with rough cobblestones. Thin church steeples slice the skyline, and romantic courtyards tangle behind stone arches.

Landscaped

Newer sections of the city have not escaped the stamp of Soviet architecture. The same pre-fab apartment blocks are built across the entire Soviet Union appear here, too. But they are laid out in a more orderly pattern, and the yards of the new developments are actually landscaped with grass and shrubbery. In Russia the yards are seldom carefully planted, and almost never maintained.

If one tries to explain to a Russian that the Estonians seem to have a good "visual sense," one learns that the Russian language has no such expression. According to the guidebooks sold here, Estonia "requested" membership in the Soviet Union in 1940, after what is depicted as a spontaneous "revolutionary uprising." In fact, Moscow's Red Army, and not any uprising, established Communist power in Estonia during the summer of 1940, when Stalin secured his Baltic flank. His abrupt maneuver, which the Estonians were helpless to protest or prevent, ended all years of Estonian independence that was made possible by the Treaty of Versailles. It was the only period of real independence in Estonia's long history.

Stalin sent thousands of Estonians to Siberia to try to eliminate opposition to his seizure of power. According to people here, more than 100,000 were forcibly relocated beyond the Urals. Almost all have since been allowed to return, though many died in Siberia.

After this painful beginning, the Estonians seem to have made a workable peace with the Russians in Moscow. Their economy has become one of the most efficient of the 15 Soviet republics. Estonian agricultural productivity is competitive with Scandinavia's.

The group of foreign journalists whom Kabin addressed had been invited to Estonia for a giant folk festival of children's songs and dancing. After two years preparation, more than 16,000 schoolchildren from all over the republic (ethnic Russians as well as Estonians) sang a concert strictly Estonian folk songs in vast open-air theater. Thousand more staged Estonian folk dance in a football stadium.

A Russian engineer living here says the Estonians have a respect for "quality" not found in Russia. Former Muscovites now in Tallinn say the standard of living is markedly higher. Shops are better supplied, especially with food and a former Moscow housewife, once punished by the daily routine of standing in long lines finds shopping in Tallinn a delight by comparison. The city has numerous suburban communities of private brick houses, seldom seen in Russia.

The population of Estonia is about 1.2 million, of which nearly a third is non-Estonian, mostly Russian. The Russian population is growing, largely because of a manpower shortage which induces immigration from the east. In March, the Central Committee of the Estonian Communist party held a special meeting on "The Interethnic Indocination of the Working People"—apparently a sign that relations between Estonians and Russians were less than ideal.

Numerous travelers to Estonia have noted signs of anti-Russian feeling here. This correspondent apparently encountered an example of it in a cafe the other morning. I tried to order some tea, for which Estonia is justly famous, with a combination of Russian and pointing of finger at the display case. An Estonian girl behind the counter refused to respond to my gesture, an said in accented Russian, "You ought to know the language of the place you live in..." She was not friendly.

The Estonians who speak Russian (by no means all of them) generally have a thick accent. The leadership of the Communist party and government of the republic—who met reporters on a public tour recently—are ethnic Estonians, but their Russian is excellent and unaccented, with few exceptions.

The Russian population of the republic is growing faster than the Estonian population. Johan Kabin, the First Secretary of the Estonian Communist party and the most powerful man in the republic, got visibly angry when asked if this implied threat to the future of the Estonian nation.

In his flawless Russian, Kabin recited statistics which suggest that Estonia's separate identity is not in any immediate danger. Of 36 newspapers published in Estonia, 28 are in Estonian; 13 million books published last year, 11 million were in Estonian; eight of the republic's nine theaters are Estonian; and more, in each of these cases, it current statistics represent enormous improvements over pre-Soviet Estonia.

The group of foreign journalists whom Kabin addressed had been invited to Estonia for a giant folk festival of children's songs and dancing. After two years preparation, more than 16,000 schoolchildren from all over the republic (ethnic Russians as well as Estonians) sang a concert strictly Estonian folk songs in vast open-air theater. Thousand more staged Estonian folk dance in a football stadium.

'Danish City'

Estonia has always lived in the shadow or under the control of powerful neighbors. The name Tallinn comes from two Estonian words that mean "Danish city" as it was for 300 years in the Middle Ages. Swedes, Germans and Russians also controlled it various times.

The United States, curious has never recognized the Estonian Soviet Socialist Republic does not officially exist in American diplomatic usage. The U.S. recognizes a barely-existing regime instead.

The Estonians themselves clearly do recognize their master, albeit with some regret. One native told a recent visit from East Europe that in a few things were better now than they used to be. "We used to have many enemies," he noted. "Now we have only one."

PETER TODD MITCHELL
London.

The Woman Who Heads Paris Council

By Hebe Dorsey

PARIS, June 28 (UPI).—Madame le Président is grammatical nonsense—but then Nicole de Hautecloque, as the first woman to become president of the Conseil de Paris has every right to coin the title.

She is quite stern on the subject. "Madame la Présidente," she insists, means the wife of a president.

This detail aside, Madame le Président is a 100 percent woman. She is 59, a well-built, smallish blonde with eyes elegantly powdered in blue. Her smiling, no-28-to-grind determination makes it impossible to lag her as a typical career woman. The other day, she was wearing a smart red suit by Carven ("She's a good friend of mine") with Dior shoes and the Legion of Honor pinned on her lapel.

Her office, in the Paris town hall, is pleasantly modern with leather chairs, spot lights in the ceiling, steel and glass doors and an Arp sculpture. A large portrait of Gen. Charles de Gaulle sits on her desk. One wonders, however, if a Monsieur le Président would have all those red roses around.

How does a woman become president of the Paris City Council? "I started in the Résistance," she said. "I was always in Gen. de Gaulle's entourage." (She has the Croix de Guerre and several Resistance decorations.)

"I joined his party, then called the RPF (Rassemblement du Peuple Français), which I helped to organize. So, it was sort of obvious that in 1947, I should be on an electoral list. I was elected to the Council Municipal."

Over her 25-year political career, Mrs. de Hautecloque was also elected deputy of the 15th arrondissement (300,000 people and the largest in Paris, even larger than Bordeaux). "I was very interested in that area because it was a bit rough. The land was generally badly developed and the houses were old but had no character."

With no beauty to preserve, Mrs. de Hautecloque had an easier time knocking down old buildings and putting up low-cost apartment houses. She was re-elected in 1962, 1967 and 1969.

Her seat on the Council de Paris became almost permanent and she was re-elected until she obtained the presidency this year. A quiet but firm partisan of women's lib, Mrs. de Hautecloque feels that "Frenchwomen have political power. But I'm not sure they use it." This partly comes from male chauvinism. "I'm not sure," she said, "that political



Nicole de Hautecloque in her Paris office.

groups, whatever the party, have enough confidence in women." She herself was only elected on a third ballot, although her party was in the majority.

Regrettably, she noted that "Frenchwomen's political activity has dwindled since the liberation. There were 32 women in the National Assembly after the war. Today, there are only eight."

"It's not that women are inactive," she said. "But they're passive. I wish they'd realize that they represent 54 percent of the votes and, consequently, hold the country's future in their hands. I find it surprising and damaging that 28 percent of women do not vote."

"To me, women are the conservative element in any country. They control the family budget which means, in effect, that they are instrumental in the country's budget. Women should also care about peace and determine the future of their children."

Mrs. de Hautecloque sees two solutions to the problem: "Train and inform women. I'm very grateful to women's magazines, which, for some time now, have cut back on recipes and branched into political news."

"It is good for a woman to assert herself. She can do so through her professional competence, her seriousness, her good sense and her very valuable feminine intuition."

Despite her outstanding political record and her many decorations, Mrs. de Hautecloque admits that up to three years ago, she never thought she would make it to the presidency. "But last year, I suddenly knew I would."

A cheerful divorcee with a daughter and a 19-year-old grandson, Mrs. de Hautecloque admits that her career was not compatible with family life. "I work long hours and no man, as you know, would put up with that. I'm quite content as it is. I try to see my family as much as I can. My favorite relaxation is riding and putting around my garden."

Mrs. de Hautecloque will be president for one year. "One cannot really change the world in that time. One can only hope to get things started." Asked about her projects, she sounded like a first-class French hostess. "I'm going to revive the image of Paris, City of Light. I am also going to increase the number of green areas in the city."

"I'm very concerned about old people who often lead a hard, joyless life. I'd like them to be able to walk out to a park and sit with a lot of flowers around."

Her first duty was receiving Queen Juliana. "Of course I was shaken," she said. "There's quite a pompous air on going around here, with grand stairs, huge salons and gorges républicains. But the queen was so simple and kind that she put me at ease immediately."

IN THE UNITED STATES

Money and the Foreign Student

By Gene I. Macroff

NEW YORK (UPI).—Abdul M. Rahmani of Afghanistan, a 28-year-old mechanical engineer, came to the United States as a college freshman seven years ago and expects to return home soon—with a Ph.D. and a worrisome feeling about the effects that mounting financial pressures are having on foreign students in the United States.

"If things keep going the way they are," said Mr. Rahmani, who attends North Carolina State University "only the social elite of other nations will be able to afford to come to America to study."

Foreigners studying in the United States, which leads the world in enrolling students from other countries, have tended to come from the upper classes. But the ready availability of scholarships and grants had increasingly opened opportunities for the less affluent.

What concerns Mr. Rahmani and other foreign students now is that financial support for students from overseas is not being expanded in line with rising costs, being reduced by some colleges and universities as well as by foundations and certain federal programs.

Enrollment

This year, for the first time in the postwar period, the foreign student population in the United States dropped. After growing at a rate of at least 10,000 a year since 1966, foreign student enrollment fell to 149,136 after reaching 144,703 in 1970-71, according to a survey just completed by the Institute of International Education in New York.

Fulbright scholarships and Agency for International Development grants, the two major sources of federal support, have leveled off. Growing numbers of American minority students are competing with foreign students for limited financial aid funds. And the out-of-state tuition rates to which foreign students are subject are climbing at a furious rate.

"The rising cost of higher education in the United States is making it increasingly difficult for many foreign students to continue, or to undertake their studies," the National Association for Foreign Student Affairs in

Washington said in a report in April.

Typifying what is happening to some foreign students, Reno Schalm, a Canadian, got an offer of aid from only one of the eight American universities to which he applied for doctoral work: Pavlos Michael, a Cypriot, will "have to go home" after his scholarship expires at the University of Alabama to earn enough money to come back and continue, and Sven Borgen, a Dane, who is the father of four, says it "will take years" to pay off the \$10,000 it cost him at the University of Indiana.

When the Institute, a leading agency in the field of educational and cultural exchange, began its annual survey in 1949, there were 25,484 foreign students in the United States. The number climbed to 47,245 in 1958 and to 109,262 by 1966.

The development of higher educational resources in their own lands is considered one reason for the halt in the growth of international enrollment in the United States. But economic constraints in this country are seen as a key factor.

In its last published survey, in 1971, the Institute of International Education found that the percentage of foreign students supporting themselves increased while almost every other category of support—colleges, U.S. government, their own governments—decreased.

An example of the failure to expand opportunities for foreign students in the United States is found in the Fulbright program, which 10 years ago enrolled 2,521 students at a cost of \$5,104,000. The program had 3,146 students at a cost of \$8,922,000 in 1966, but this year it supported 2,011 students at a cost of \$5,542,000.

Similarly, the Agency for International Development, which could offer no statistics for years before 1969, supported 6,941 foreign students in the academic part of its program in 1969 and 6,907 this year.

Canada sends more college students—12,585—to the United States than any other foreign country. Next are India, 12,523; Taiwan, 9,219; Hong Kong, 9,040; Iran, 4,602; Thailand, 3,627; Japan, 3,350; England, 3,350; and South Korea, 3,357. There are 32,148 Americans studying abroad.

The institution with the largest enrollment of foreign students is New York University, followed by the University of California at Berkeley, Columbia, Illinois and Wisconsin. Forty-five percent of all the overseas students in the United States are studying at the graduate level.

In California, a state that enrolls 16 percent of all of the students from overseas, the state university and colleges system has eliminated a special tuition break previously given to foreign students. They now have to pay the annual nonresident rate of \$1,110, whereas two and a half years ago, they were paying \$225 a year.

At the same time that costs have been going up and aid has been becoming harder to obtain, alternative sources of income have been drying up for foreign students, with Americans getting

preference for scarce summer and campus jobs.

"This summer is going to be the biggest headache of all for foreign students," said William Elba, from Sierra Leone, who attends the American University in Washington.

"The dorms close," Mr. Elba lamented, "and the foreign students, with no place to live and little money, have to go live in the Y and worry about where they will get enough money for the next cup of tea."

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DENMARK: Reviving Culinary History

By Jan Sjöby

COPENHAGEN (UPI).—The days of the councillor were days of glory at the Divan 2 in Copenhagen's belle époque.

The restaurant was opened in 1843 in the Tivoli Gardens, the year when that famous amusement park opened on the remnants of the ramparts of the capital. The original operators, Minnie and Cloette, and their successor, one Strand Oenarn, didn't make culinary history.

But Cabinet Councillor Nimb, who took over in 1877, made the Divan 2 the talk of Copenhagen.

"Even the foreigners who will not be able to sense the intimate Copenhagen atmosphere in the restaurant will still be attracted by Mrs. Nimb's night table," wrote a contemporary chronicler. The night table was a super smorgasbord, very expensive (almost 15 cents) but very attractive to the gay blades and their sweet protégées.

This year, as Tivoli and the Divan 2 opened for their 120th season, Danish-Australian restaurateur E. Skjold Kristiansen took over the management of the institution. The spirit of the competition has been shagging over the tables for the past century and Mr. Kristiansen wants to make it more substantial.

"We can't recreate the days of Mr. Nimb and his clientele," said Mr. Kristiansen, "but we can recreate some of the atmosphere. And we can recreate his cuisine, at least in parts. Unfortunately, we can't manage to present his night table. For an orgy like that we'd have to charge at least \$15 just to meet our expenses."

For \$9, however, a diner may get an idea of what that night



Divan 2, some years back.

table was like: Freshly peeled shrimps, smoked salmon and smoked eel (the latter with scrambled eggs), goose liver mousse with truffles, steak tartar with egg yolk, steak Béarnaise, one-quarter of a chicken and a choice between a cheese tray or a fruit salad.

The classical thing to eat in Tivoli has been peeled baby shrimps. Divan 2 this year offers something completely revolutionary on the Danish market: Unpeeled baby shrimps, at a price considerably lower than that of

the traditional *pilade rejfer*. Swedes and Norwegians will laugh at that out-of-generation they have peeled their great North Sea "horse shrimps" themselves. In Göteborg, at least, those Danish-style mini-shrimps are eaten shell and all.

There is an open grill at the new Divan 2, where things such as steaks and Danish pork chops will be prepared. Real charcoal grills are still fairly rare in this part of the world.

National Dishes

The real come-hither on the Divan 2 menu—for a curious visitor—may be the page headed "Danish National Courses." Under that heading comes Frederiks-havn sole, pork meatballs, short ribs with crisp rind, egg cake with fried bacon and *biksemad* (hash) "as mother would have made it."

"I believe," said Mr. Kristiansen, "that our *biksemad* is the proof to the world that *biksemad* isn't made on leftovers."

A suggested dessert for an explorer in Danish cooking is *rödgröd* (pronounced *röggräp*) which, as pronounced *röggräp*, has made the Danish language known around the world. *Röggräp* is a kind of berry compote with whipped cream on top and the Danes love it, and they love to rile fellow Scandinavians who can't pronounce *röggräp*.

The wine list makes interesting reading, from the house wine to '84 Chateau Talbot Bordeaux and '87 Bourgogne Gevrey-Chambertin. There are naturally whites and roses as well as the wine waiter seems to know his business.

Divan 2, Tivoli Gardens, Copenhagen. Phone 12-51-51. Average meal: \$4-6.

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-177- Stocks and High-Low Div. in \$	\$50	\$25	\$10	Net First High Low Last Chrg
3685 1914 Air Mail 1st	50	25%	25%	25% 25% -16
37 1914 CHRYSLER 1st	50	18%	18%	18% 18% +11%
2815 1914 Genl Air Lin	50	22%	22%	21% 21%

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Japan Tightens Curbs on Foreign Exchange

YOKOHAMA, June 28 (Reuters).—Finance Ministry announced it had tightened foreign exchange controls over advance payments for Japanese exports and movements for foreign investments in Japanese firms.

of Britain Sought

LONDON, June 28 (Reuters).—The British government has sought a deal with the Japanese government to allow the Japanese to acquire a controlling interest in ICL, Britain's only computer manufacturer.

Advances moved to Japan for portfolio investments in Japanese securities would henceforth not be allowed to convert into yen until actual investment contracts were concluded.

The ministry said these measures were necessary to prevent a speculative inflow of United States dollars into Japan when the Tokyo foreign exchange market reopens tomorrow.

Reserve Ratio Raised

Meanwhile the Bank of Japan said it has raised the reserve requirement ratio for convertible "free yen" deposits to 50 percent from 25 percent effective July 1.

Economic Analysis

The Fixed Exchange Rates Myth

By Hobart Rowen

WASHINGTON, June 28 (WFP).—It was just six months ago that President Nixon, with an unerring talent for excessive rhetorical outbursts, hulled the Smithsonian agreement on exchange rates as "the most significant monetary agreement in the history of the world."

Now, as a result of the British floating of the pound in violation of the agreement, the Smithsonian accord, if not exactly extinguished, lies exposed for what it really is—a voluntary compact destined to be broken when any participant concludes that the international conditions so demand.

What happened was that Britain found itself locked into a cost-push inflation that made fewer and fewer British goods competitive in world markets with the pound at \$2.60.

Three Possible Options

There were three options: The British government could have poured out its reserves as it did in 1947 to postpone an inevitable change in the exchange rate; it could have let the pound float clearly by a devaluation, say to \$2.40; or it could choose the "float," letting the pound seek its own level.

Sensibly, the British government, after losing perhaps \$1.5 billion of its reserves in just a couple of days defending the \$2.60 rate, decided not to throw good money after bad.

The "float" protects the rest of Britain's reserves, and will make British exports more attractive as the rate for the pound moves down.

If there is a lesson in all of this, it may well be that the arguments of economists, academics and theorists against fixed exchange rates look better than the combined conventional wisdom of central bankers, finance ministers and politicians.

As recently as June 10, at the international monetary conference sponsored by the American Bankers Association in Montreal, Prof. Milton Friedman, long an advocate of free floating rates, warned that "the Smithsonian agreement is not a very long-lasting agreement. The exchange rates will be changed as soon as any country separately starts finding that it is getting a greater accumulation of (reserves) one way or the other way, or decumulations."

Oskar Romminger, a governor of the Bundesbank, contested Prof. Friedman's view, arguing that the Smithsonian rates would be defended because the business communities in the various countries demanded the "stability" of fixed rates. But fixed rates, for the sake of fixed rates, just spell deflation and higher unemployment.

Nobody's national honor is worth that kind of price. The present crisis shows that the Smithsonian deal was just a sort of holding action that dissipated under the pressures faced by individual countries.

It becomes painfully clear that the stability which was supposed to be the hallmark of, and the raison d'être for, fixed rates does not exist. Pegged rates appear instead to create the very instability that central bankers say they fear.

Index Gains Only .2% in U.S. in May

Passer Says Trend Remains Favorable

WASHINGTON, June 28 (AP).—The government's composite index of leading economic indicators showed only a small rise in May compared to the strong gains of recent months, the Commerce Department indicated today.

The index, which tends to foreshadow broad movements in the economy, rose 0.2 percent last month to 140 percent of the 1967 average, from April's downward revised 139.7 percent, the department said.

The April gain, originally put at 1.4 percent was revised downward to 0.9 percent, the department said.

Harold C. Passer, Assistant Commerce Secretary for Economic Affairs, said "the relatively small increase in May does not alter the fact that a strong upward trend has been under way in the leading indicators since October 1970."

Emphasizing that the pattern over several months is more important than a change in a single month, Mr. Passer asserted "the index continues to signal that strong economic growth is ahead."

Of the eight indicators available for May, two improved and six moved unfavorably, Mr. Passer noted. Improvements were registered by building permits and industrial materials prices. Declines were recorded by the average work week, initial claims for unemployment insurance, new orders for durable goods, contracts and orders for plant and equipment, stock prices and the ratio of prices to unit labor costs.

Long-Term Optimism

The OECD is optimistic about the long-term improvement to be derived from last year's devaluation on the dollar, but says it may take two to three years for the full effect to be realized and warns that the current account measurement of the balance of payments may get notably worse—about \$4 billion this year—before improving.

One interesting sidelight to the report is its forecast of a sharp increase in the number of 20 to 40-year-old people who will fall into the high income group and its estimate of a 45 percent growth of both real disposable income and real consumption expenditures between 1971 and 1980. It also sees the post-war baby boom reaching adulthood and forming households with the result that by mid-decade real residential construction spending may be about \$62 billion, or 66 percent higher than the average in the 1960s.

Stock Prices Decline In Slow N.Y. Session

By Vartan G. Vartan

NEW YORK, June 28 (NYT).—The stock market, still saddled with worries, drifted lower today in one of the slowest trading sessions of 1972 on the New York Stock Exchange.

Another uncertainty was added to a list that already included the recent floating of the pound and the outcome of the November presidential election. The government's leading economic indicators showed only a small gain for May, in striking contrast to the strong advances of recent months.

In the eyes of some observers, this raised a question as to the future vigor of the economy's recovery.

It was another down day for the market's own indicators. The Dow Jones industrial average, registering its fourth consecutive setback, dropped 4.44 to 930.84.

Technical Weakness

For the sixth day in a row, declines outpaced advances. Analysts regard this showing as an indication of the market's technical weakness.

As for volume, it dwelled along at 12.14 million shares, with the opening-hour turnover of 2.98 million shares the lowest in seven months.

American Telephone notched a 1972 low for the third day this week, selling at 41 1/4 during the session. It closed at 41 1/4, down 1/4.

AT&T's warrants, the volume leader, slipped 1/8 to 6, marking their poorest price of this year. These warrants sold as high as 13 in 1970. The warrants, which expire May 15, 1975, permit their holders to buy common stock on a 1-for-1 basis at a price of \$52 a share.

The only pointplus changes on the active list occurred in Curtiss-Wright, off 2 1/4 to 49 1/4, and Zurn Industries, up 1 1/2 to 23.

Brokers said that the decline in Curtiss-Wright, the stock with Wankel engine glamour, reflected profit-taking after shares reached a record price of \$5 7/8 yesterday.

Offering Cancelled

Zurn, citing "unfavorable market conditions," benefited from the cancellation of a proposed company offering of 250,000 shares to a combination offering of 572,000 shares, which included 322,000 shares to be sold by certain stockholders. The company also disclosed plans to reduce the size of the secondary offering.

Flood damage caused by tropical storm Agnes affected several stocks adversely. Corning Glass, despite its announcement of increased earnings, fell 3 1/2 to 238 1/4.

Slow summer trading may have begun earlier this year than usual. Volume on the American Stock Exchange slow-

ed to just over 3 million shares today from 3.1 million yesterday, and the slowest day since the day after Thanksgiving last November, when 2.5 million shares changed hands.

Prices continued their sixth day of gentle downward drift, with the Ames closing at 72.0, down 0.04. Much the same trend was evident on the OTC market, with the NASDAQ index down 0.51 to 139.39.

NASDAQ activities included NCI, 11 1/2, off 1/4. Sterling Hormel, 13 3/4, off 2 5/8. Hardee Food, 23 1/4, unchanged, and Kason-Drugs, 15 7/8, off 1/8.

U.S. Backs Gas Imports

WASHINGTON, June 28 (AP).—The Federal Power Commission (FPC) today approved El Paso Natural Gas Co.'s plan to import the largest amount of liquefied natural gas (LNG) ever proposed.

The FPC said the imports would equal almost 1 billion cubic feet of gas a day from Algeria. It said it was approving the plan to help remedy the gas shortage in the United States.

Estimated cost of the facilities to receive and transport the gas is nearly \$70 million.

The FPC action authorized Columbia LNG Corp., a subsidiary of Columbia Gas System Inc., to import 300 million cubic feet daily, and Consolidated System LNG Co., a unit of Consolidated Natural Gas Co., to import 350 million cubic feet of gas a day to a terminal on Chesapeake Bay, Md., at a price of 77 cents per 1,000 cubic feet.

In addition, Southern Energy Co., a unit of Southern Natural Gas Co., will import 350 million cubic feet a day at a terminal near Savannah, Ga., at a price of 83 cents per 1,000 cubic feet. The FPC granted certificates to the three companies to construct and operate facilities and to transport and sell the LNG in interstate commerce.

The gas will be produced by Sonatrach, the Algerian state-owned oil and gas agency. It will be transported in nine tankers owned by El Paso Marine Co., also an El Paso unit.

Export-Import Bank officials said Sonatrach, Algeria's gas and oil monopoly, is seeking about \$385 million in credits from the bank and other lenders to finance equipment for a major expansion of its LNG exports. In New York, Eximbank president Henry Korman said the U.S. agency has a "preliminary pact" to help finance some of Sonatrach's purchases of equipment from U.S. suppliers. He said "we expect we will agree" on the financing plan with Sonatrach.

OECD Urges Controls in U.S. Continue

By Carl Gewirtz

PARIS, June 28 (HTT).—Troubled by what they fear may be a "permanent" inflationary bias in the American economy, economists at the Organization for Economic Cooperation and Development (OECD) today challenged two basic tenets of U.S. policy—that wage-price controls are theoretically undesirable and that a 4 percent jobless rate constitutes full employment.

"It may not be advisable to dismantle entirely the institutional structure of the present stabilization program even if inflationary expectations are seen to have been laid to rest," the OECD says in its annual review of the U.S. economy. It urges that the

"expertise" already gained be preserved "to provide continuing surveillance over price-wage developments, and to permit prompt action should inflationary pressures reappear."

The Nixon administration has pledged to do away with the controls as soon as possible.

The OECD sees the permanent inflationary bias resulting from "imperfect competition" and refers to the construction industry where a special stabilization committee is attempting to achieve greater price and wage stability. The OECD says that this approach might be used more widely throughout industry and implies that the government should make more use of its anti-trust, government procurement, tariff and import quota policies to keep competition high and prices low.

Challenging the U.S. unemployment rate target, the OECD says that the seldom achieved 4 percent rate established in the 1960s "when inflationary pres-

sures were much less apparent" may no longer be realistic.

To get unemployment down to that level by mid-decade would require real rates of economic growth of around 8 percent annually over the next four years... well above the rates recorded for most years in the last two decades." The OECD notes that such high rates "have not in the past been sustained for more than two years at a time" and warns that its achievement would worsen the pressure on prices and wages.

Long-Term Optimism

The OECD is optimistic about the long-term improvement to be derived from last year's devaluation on the dollar, but says it may take two to three years for the full effect to be realized and warns that the current account measurement of the balance of payments may get notably worse—about \$4 billion this year—before improving.

One interesting sidelight to the report is its forecast of a sharp increase in the number of 20 to 40-year-old people who will fall into the high income group and its estimate of a 45 percent growth of both real disposable income and real consumption expenditures between 1971 and 1980. It also sees the post-war baby boom reaching adulthood and forming households with the result that by mid-decade real residential construction spending may be about \$62 billion, or 66 percent higher than the average in the 1960s.

Europe Opens Money Markets

(Continued from Page 1)

The adjournment was aimed at consulting other governments. "Mr. Schiller don't consult anybody. This will be a national decision on national issues," the spokesman said.

The cabinet resumed its deliberations at 10 p.m. and recessed again after midnight without coming to any decision on what steps to take to stave off a new inflow of capital. Another meeting was set for tomorrow at 10 a.m. A meeting of the Bundesbank's council is also scheduled for tomorrow morning.

In Italy, the nation's commercial banks were ordered to stop buying lire banknotes from foreign banks—a measure aimed at discouraging banks abroad, especially in Switzerland, from accepting lire smuggled out by Italians speculating against their own currency. The lire needed massive support at home as well as from its partners to keep within the 2.25 percent maximum spread allowed between EEC currencies under the recent monetary union plan. This support had the effect of pushing the rate for the dollar down to 581.5 from last Thursday's 587.50, which was only 13.10 lire from the highest the dollar can climb.

But Italy's effort to stay within the EEC monetary union and beyond that its ability to maintain the wider 4.5 percent spread against the dollar (as allowed under the Washington accord) without a devaluation is coming under increasing speculation.

Prime Minister Edward Heath told a meeting in London last night that the "vital factor" underlying the floating of the pound was inflation and particularly unjustified wage increases. He said he wanted trade unions and the Confederation of British Industry to renew their voluntary agreement to limit price and wage increases which expires next month, and warned that if they did not the government would take strong measures to keep wage rises moderate.

Tomorrow, Mr. Heath's Conservative government will face a Labor party censure motion in Parliament over economic policy. Labor leaders charge that the government has failed to control the cost of living and that inflation has torpedoed the position of sterling in the world.

Swiss stock prices continued to slide. After their worst one-day setback in 10 years yesterday, prices suffered an even sharper decline today.

The Swiss Bank Corp. index, after losing 17.8 points yesterday, fell 18 today, closing at 869.2. Particularly hard hit were bank shares.

FINANCIAL NEWS AND NOTES

Best Desk Calculator Claimed

British firm reports that it is making what claims to be the world's smallest electronic calculator, said to be just over one-quarter of an inch and costing just under \$80. The organ is a Sinclair Radionics, which says the calculator is the first in a field dominated by the Japanese. The calculator performs all functions for large desk machines although it is only two inches wide and with batteries only 4 1/2 inches, a spokesman said, it will add, subtract, divide and multiply virtually instantaneously.

in TV Tubes in U.S. Probe

U.S. Treasury Department says it is investigating imports of color television picture tubes from Japan to determine if they have been sold at United States prices less than fair value. The intent says it is withholding appraisement of tubes until it completes its investigation. \$1.84 million of the picture tubes were imported from Japan.

Raywell Bull Sees Revenue Rise

Honeywell Bull, the internationally owned computer company controlled by Honeywell Inc., United States, is aiming at revenue growth reaching 20 percent this year. Jean-Pierre president reports. In 1971, Honeywell Bull revenue equivalent to \$348 million and income of \$15.5 million. Mr. Brule, who is president less than a month ago, declined to say any profit forecast. But he asserted Honeywell Bull had "doubled productivity" the last four years, and said he expects this to continue.

Uniroyal Expects Higher Profit

Uniroyal's second-quarter net income will be up modestly from a year before, but the third and fourth quarters will be decidedly stronger than in 1971, George R. Villa, chairman, reports. The second-quarter net, he says, will follow closely the trend of the first quarter, when net income was \$11.3 million, up only slightly from \$10.8 million a year earlier. In the 1971 second quarter net income was \$15.8 million.

Nuclear Fuel Venture Planned

Pechiney-Ugine-Kuhlmann, Westinghouse Electric and St. Creusot-Loire will set up a joint subsidiary for the production of nuclear fuels, Pechiney says. Pechiney is expected to hold 51 percent of the capital. Westinghouse 35 percent and Creusot-Loire 14 percent. The creation of the new subsidiary is linked with the previously reported proposals to set up a joint nuclear subsidiary between Westinghouse and Creusot-Loire, in which the U.S. company will have a 45 percent interest. Both proposals are awaiting French government approval, expected to be granted in the next two weeks.

STP Predicts Quarter's Profit

STP Corp. second-quarter earnings will not equal those of the record 1971 second quarter, when the company earned 60 cents a share, president Andy Granatelli says. He cites heavy expenses related to the launching of the company's new oil filter and investments in overseas operations. Second-quarter profits, however, will be up more than 50 percent from the 20 cents a share earned in the first quarter of 1972, and sales up 37 percent from the first quarter sales of \$20.3 million, Mr. Granatelli says.

This announcement appears as a matter of record only

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RAS

RIUNIONE ADRIATICA DI SICURTA'

Milan - Italy

RESULTS OF 138th FINANCIAL YEAR

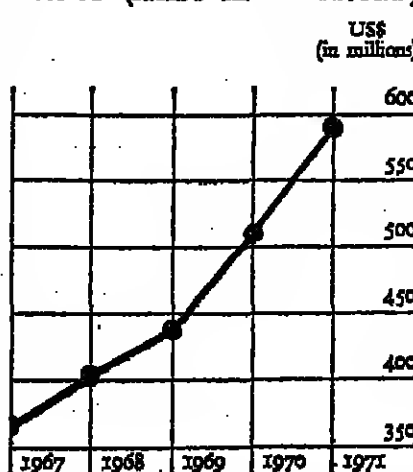
At the General Meeting of the shareholders held in Milan on June 27th 1972, the balance sheet and accounts for 1971 were approved and a dividend of 500 lire per share was declared, payable as from July 6th 1972. At the Extraordinary Meeting immediately following, a free and tax exempt increase in the Company's share capital was decided. The nominal value of each share was increased from 3,500 lire to 3,750 lire, general reserves being utilized for this purpose.

In their Annual Report on the year's activities, the Board of Directors stressed favorable trends in Life Insurance, both in Italy and abroad, where impressive rates of growth were recorded. The results of the non-Life activity, however, showed a substantial deterioration in the claims rate, especially in Italy. Favorable financial results were sufficient however to offset underwriting losses, to strengthen reserves and to pay a dividend to the shareholders. In 1971 the Company's premium income was US\$ 171,607,557, net of taxes, a 12.6% increase over 1970. In the same year, the premium income of the whole RAS Group (comprising 9 domestic and 25 foreign Companies) reached almost US\$ 600 million.

HIGHLIGHTS OF ACCOUNTS (US\$ *)	
RAS ONLY, DOMESTIC AND FOREIGN BRANCH OFFICES	
1970	1971
152,380,914	Premium income 171,607,557
21,780,095	Investment income, incl. capital gains 26,557,436
78,172,217	Claims, maturities and other benefits paid 83,809,589
95,200,398	Insurance reserves, non-Life Accounts 107,451,930
216,379,394	Insurance reserves, Life Account 265,815,316
1,472,710,396	Life sums assured 1,682,560,116
11,323,331	Share Capital 12,121,212
22,395,021	General Reserves 28,792,468
1,751,557	Profit for the year 1,803,326

(*) Figures indicated are the dollar equivalents of the entries in the Balance Sheet expressed in Lire. Conversion has been made at the official rate of exchange at the end of the year.

PREMIUM INCOME OF THE RAS GROUP (ITALY AND ABROAD)



SALES OF THE RAS GROUP (Premium income in 1971 in US\$*)

RAS and L'ASSICURATRICE ITALIANA (in Italy and abroad) . . .	342,892,835
Other Italian Group Companies	44,706,141
Foreign Group Companies	211,601,173
Total premiums	599,200,149
Ras Group Life Account, total sums assured . . .	\$ 2,360,912,392

American Stock Exchange Trading

-1772- Stocks and Bonds					-1772- Stocks and Bonds					-1772- Stocks and Bonds				
Div. in \$					Div. in \$					Div. in \$				
Sta. 100s. First. High Low Last. Chgs					Sta. 100s. First. High Low Last. Chgs					Sta. 100s. First. High Low Last. Chgs				
54	2%	Agro Hamil	9	2 1/2	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	1%	Carroll Fish	2	1 1/4	1 1/4
55	1%	Acme Prec	3	2	2	2	2	2	2	2	1 1/4	Carroll Ind	2	1 1/4
56	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
57	1%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
58	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
59	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
60	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
61	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
62	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
63	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
64	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
65	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
66	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
67	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
68	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
69	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
70	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
71	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
72	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
73	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
74	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
75	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
76	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
77	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
78	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
79	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
80	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
81	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
82	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
83	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
84	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
85	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
86	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
87	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
88	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
89	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
90	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
91	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
92	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
93	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
94	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
95	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
96	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
97	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
98	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
99	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4
100	2%	Acclion Ind	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2	1 1/4	Carroll Ind	2	1 1/4

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Deutsche Girozentrale-Deutsche Kommunalbank.	
Girozentrale und Bank der österreichischen Sparkassen <small>Aktiengesellschaft</small>	Kreditbank S.A. Luxembourgeoise
B. Metzler seel. Sohn & Co.	Pierson, Heldring & Pierson
	J. Henry Schroder Wagg & Co. <small>Limited</small>
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Dietz Rows Ahead in Sculls At Henley Regatta Opening

Olympic hopeful Jim Dietz of New York, runner-up last year, won the American flag into the second round. Dietz, 23 years old, 5 feet 6 inches, beat Pat Wolfe of Ireland in 9 minutes 17 seconds. His New York Athletic Club colleague Larry Klecatsky beat another Briton by a similar margin, clocking 8:24 to eliminate Briton Terry Bishop.

The speediest of the trio was Beate Lisk of the Vesper Boat Club of Philadelphia, who covered the 1 mile 550-yard course in

Miller was beaten by Irishman Hugh O'Callaghan, who clocked 8:21 in the diamond sculls. Dreaded lost by 2-2/3 lengths in the Victor Cup against Hampden grammar school, who beat eight also found English opponents too strong, losing by 2-1/2 lengths to King's School in the Princess Elizabeth Cup.

In the second round, Dietz unexpectedly comes up against Robin Parish of London, who upset the Australian Dick Garrard, who rowed in the Tokyo Olympics.

With Independiente in Soccer

Tokoto was so keen to play in Brazil that he dug into his own pocket for a million and a half old francs, which he may or may not get back from the impoverished African Football

Association. His one consolation is that he has certainly enhanced his "market value" with his fine displays.

Not Always the Best

It's sad that such competitions as World Cups should tend increasingly to be falsified by the unavailability of star players, operating with foreign clubs. The other day, Australia

at long last able to call on such distinguished expatriates as Hasli, Paris and Starek, beat Sweden again without a badly needed Magnusson, 2-0, in a World Cup qualifying match in Vienna. Theoretically, it has an excellent chance of surprising the group's favorite Hungary so

fragile and disappointing in the Nations Cup Finals. But how many of these players will be available to them from the West German clubs, in the case of most of their stars, and from Feyenoord, in Hail's, when they meet the Hungarians?

202, Tribune, Merceda 55, Rome,
Italy. ~~~~~

هكذا عني لأهل

PEOPLE: *Frank Sinatra's Next Public Appearance*

2015